

S. HRG. 105-821

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1999

HEARINGS BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE ONE HUNDRED FIFTH CONGRESS

SECOND SESSION

ON

H.R. 4112/S. 2137

AN ACT MAKING APPROPRIATIONS FOR THE LEGISLATIVE BRANCH FOR
THE FISCAL YEAR ENDING SEPTEMBER 30, 1999, AND FOR OTHER
PURPOSES

Architect of the Capitol (except House items)
Congressional Budget Office
General Accounting Office
Government Printing Office
Joint Committee on Printing
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U.S. Capitol Police Board
U.S. Senate

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LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1999

THURSDAY, FEBRUARY 26, 1998

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD-116, Dirksen Senate Office Building, Hon. Robert F. Bennett (chairman) presiding.
Present: Senators Bennett, Stevens, and Dorgan.

U.S. CAPITOL POLICE BOARD

STATEMENTS OF:

**WILSON LIVINGOOD, HOUSE SERGEANT AT ARMS AND CHAIRMAN,
U.S. CAPITOL POLICE BOARD**

**GREGORY S. CASEY, SERGEANT AT ARMS, U.S. SENATE AND MEMBER,
CAPITOL POLICE BOARD**

ALAN M. HANTMAN, AIA, ARCHITECT OF THE CAPITOL

GARY L. ABRECHT, CHIEF, U.S. CAPITOL POLICE

OPENING STATEMENT OF HON. ROBERT F. BENNETT

Senator BENNETT. This hearing will come to order.

Welcome. This is the Appropriations Subcommittee on the Legislative Branch.

This is the first of three hearings which will be held on the budget request for fiscal year 1999. The two other hearings are scheduled for March 12, at 9:30 a.m., and March 19, at 9 a.m., in this room, SD-116.

Last year the total appropriation for the legislative branch was approximately \$2.25 billion in budget authority. That was an increase of approximately 2 percent over the fiscal year 1997 level. The budget requests for fiscal year 1999 total over \$2.4 billion. That is approximately a 9.6-percent increase.

As the Congress continues to work toward a balanced budget—which is within our grasp this year—it is going to be difficult to provide for all of the requests made.

One issue which is of particular importance to me is the year 2000 technology conversion. I have been actively working to ensure that the agencies are prepared and that we do not have a total computer failure in our banking systems.

As the chairman of the Banking Subcommittee on Financial Services and Technology, we have held five hearings about the preparedness of the banking industry's systems. Last year I introduced Senate bill 1518, the Computer Remediation and Shareholder Protection Act [CRASH], to require publicly traded corpora-

tions to disclose their computer systems' ability to operate after January 1, 2000.

We must sweep in front of our own stoop first.

The Federal Government has responsibilities both internally and externally to provide for the health, welfare, and safety of American citizens. We must be responsible and be prepared.

As chairman of this subcommittee, I plan to be as aggressive with our own agencies as I have been with the executive branch and the private sector.

That is why I have asked the General Accounting Office [GAO] to review the conversion plans of legislative branch agencies. We must deal with the conversions now to ensure that the legislative branch will be able to perform its responsibilities when the time comes.

Before we begin, I would like to make some general observations about the testimony we are about to hear.

First, the police are to be commended for presenting the committee with a budget that more accurately reflects the actual historical spending patterns of the U.S. Capitol Police.

In addition, the work that has been done by the Board and Bob Greely to upgrade the security infrastructure of the Capitol campus has been first rate.

After the Police Board testifies, we will hear from the Secretary of the Senate, the Honorable Gary Sisco.

This is the second year in a row that the Secretary has requested flat funding except for the COLA adjustment.

Not only has the Secretary been able to keep his budget level, but the office has been aggressively pursuing a number of projects crucial to the future of the Senate—namely, the legislative information system [LIS], and the financial management information system [FMIS].

More importantly, the Secretary's office has been exemplary in responding to requests for information from this committee as well as modifying and simplifying his budget to meet the needs of this committee.

The Congressional Budget Office [CBO] has been equally as responsive in assisting this committee in juggling the financial needs of the legislative branch.

Last year CBO requested a 1.9-percent increase in their budget from the fiscal year 1997 level. When the House and Senate were in conference and trying to find money necessary to stabilize the GAO, CBO selflessly offered to further reduce their almost modest budget.

The result was that CBO received only a 1.1-percent increase over its fiscal year 1997 level. This year CBO has requested an overall budget increase of 4.6 percent.

I would like to thank Senator Dorgan for his work on this subcommittee. Your assistance last year, and in particular with the GAO, was very, very helpful. I have come to depend on your solid understanding of the issues facing this subcommittee. And I look forward to the benefit of your counsel again this year.

I also understand that you have a new member of your staff helping with your appropriations work. I would like to welcome Shelly Feist to her first legislative branch appropriations hearing.

Senator Dorgan, would you like to make an opening statement?

STATEMENT OF HON. BYRON L. DORGAN

Senator DORGAN. Thank you, Senator Bennett. As you noted, the request for the Legislative Branch Subcommittee for fiscal year 1999 totals \$2,466,030,600, an increase of 9.6 percent over the discretionary amount enacted in last year's bill. For the Senate items only, the amount requested for fiscal year 1999 totals \$527,292,000, an increase of \$23,855,000, or 4.74 percent, from last year's enacted level.

I am glad to see that the Senate is doing its part to hold tight onto its budgetary reins. I expect that because the budgetary constraints on the domestic discretionary budget will be tight—together with the efforts to balance the budget in the next few years—the 302(b) allocation to this particular subcommittee will also be tight.

Mr. Chairman, I have seen several articles stating that the House is interested in cutting President Clinton's budget request for the legislative branch. I wanted to take a minute at the start of our first hearing to remind everyone that, unlike executive branch agencies, the Office of Management and Budget [OMB] and the President do not have their own views and ideas about levels of expenditure for the budget of the legislative branch.

Therefore, because the House seems to be making a big to-do about cutting President Clinton's budget request, I want to make sure that everyone here is aware that none of the items in the subcommittee's request are the President's request. This budget has been submitted by the legislative branch for inclusion in the President's budget and then resubmitted back to us in full. The President and OMB do not question the amounts in the budget, through these hearings, if we find that certain requests are inflated, or cannot be justified, the responsibility cannot be laid at the President's doorstep. The budget for the legislative branch is Congress' own, not President Clinton's.

Mr. Chairman, I look forward to continuing what I view to be an excellent working relationship with you on this bill, and I look forward to the testimony of each of our witnesses here today.

Senator BENNETT. Thank you Senator Dorgan.

Would you like to make a statement, Senator Stevens?

STATEMENT OF HON. TED STEVENS

Senator STEVENS. I would like to thank Senator Bennett for his stewardship as chairman of the Legislative Branch Subcommittee.

Senator Bennett as well as Senator Dorgan did a good job last year of brokering a compromise with the House to keep the legislative branch spending to a minimum while also providing for some important maintenance projects.

With the substantial majority of spending in the legislative branch dedicated to salaries, spending for projects, particularly in the budget of the Architect, has been the natural place to find savings.

We have made some of those savings in the past, but we will have to be careful this year that we do not save money now at the

risk of spending more later to take care of maintenance projects that were once small but became large because we neglected them.

I would also like to commend Senator Bennett for his work on the year 2000 computer conversion. I want to assure that every subcommittee addresses this problem this year.

This is one area which has potentially devastating results for all Americans if the Federal Government does not properly solve the problem.

Mr. Chairman, I look forward to assisting you with your work on this subcommittee.

Senator BENNETT. Thank you, Senator Stevens.

Our first witnesses are the U.S. Capitol Police Board. The Honorable Bill Livingood, the House Sergeant at Arms is the Chairman of the Board this year. He is accompanied by the Honorable Gregory Casey, the Senate Sergeant at Arms; the Honorable Alan Hantman, the Architect of the Capitol; and Chief Abrecht, the Chief of the U.S. Capitol Police.

I want to thank the Board for taking the time to recess from their training seminar to appear today.

Last year, the police received a 2.7-percent increase over their fiscal year 1997 level. They are requesting a 14.1-percent increase in fiscal year 1999.

We look forward to your testimony.

Mr. Livingood.

SUMMARY STATEMENT OF MR. LIVINGOOD

Mr. LIVINGOOD. Mr. Chairman and members of the committee, I am pleased to appear before you to present the fiscal year 1999 budget request for the U.S. Capitol Police.

As this budget request shows, we have reached an interesting point in the professional development of the U.S. Capitol Police. More than at any time in the past, the U.S. Capitol Police is undergoing a period of change in order to meet the increasing demands of its mission. Not only must we guard against new threats to the safety and security of the Capitol complex, but the manner in which we meet these threats is evolving.

In the past, the considered proper response to new security threats was to add more police officers to the Department. That was the case following the 1954 shooting in the House gallery and the 1971 and 1983 bombings of the Senate wing of the Capitol. Today, as we prepare to enter the next century, the U.S. Capitol Police Board feels that the more effective and efficient method of better securing the Capitol complex rests with the increased use of technology. While the safety and security of the congressional community and visiting public will always primarily rely on highly qualified and highly trained police officers, the application of state-of-the-art security technology can certainly be used to augment the officer in the field.

To this end, we have included five new components in the general expenses appropriation that are key to setting this initiative in motion: the hazardous materials program, information security systems, life-cycle replacement of physical security systems, physical security annual maintenance, and new physical security systems installations. Each is considered to be integral to the overall

risk management efforts of the U.S. Capitol Police because they are needed to detect, deter, or mitigate the effects of security threats.

Increased operational and administrative demands placed on the Department translate into increased demands on our personnel. Therefore, it is essential that we provide our officers and support staff with the level of training they need to keep pace with the changing nature of their jobs. The requested level of funding for tuition expenses will be used to provide outside professional instruction to our personnel on topics ranging from labor/management relations to chemical and biological attack response.

With regard to personnel issues, it has been a longstanding goal of the U.S. Capitol Police Board to ensure that the men and women of the U.S. Capitol Police maintain a pay parity with their counterparts in other law enforcement agencies. Therefore, the USCP fiscal year 1999 budget submission once again includes a request to fund pay initiatives which provide holiday pay, Sunday premium pay, and shift differential. Because police departments need to be staffed 24 hours a day, 7 days a week, this type of differential pay is considered standard and customary in law enforcement agencies. Therefore, in order to fairly compensate our personnel who are required to work throughout the night, on Sundays and holidays, the U.S. Capitol Police Board feels it is imperative that this initiative be fully funded.

Finally, Mr. Chairman, I would like to state the support of the U.S. Capitol Police Board for a funding request which is included in the Architect's budget submission. Several facilities currently used by the U.S. Capitol Police can no longer adequately support the mission of the Department. The current condition of some of these facilities creates life safety and working condition concerns for our personnel. Others, such as the offsite delivery center and the vehicle maintenance facility, have simply outlived their usefulness and are in need of significant repair and expansion or relocation to another site.

This is especially true of the offsite delivery center due to the increased level of use which is anticipated when we begin screening House deliveries. In addition, our training facilities are woefully inadequate. The entire primary training facility of the U.S. Capitol Police consists of three converted offices in the Ford House Office Building. It is simply impossible to support the training needs of a 1,300-member department with a mission as diverse and important as that of the U.S. Capitol Police in three classrooms in an office building.

In response to these concerns, the Architect has requested an appropriation to commission a comprehensive study of the facility requirements of the department. Known as the Capitol Complex Integrated Security Facilities Program, this study will serve as the blueprint on how to best address these facilities concerns. In the interim, the Architect is requesting funding to address the more immediate repair and Occupational Safety and Health Administration regulations concerns. In view of these pressing issues, the Board is requesting full funding for all of the Architect's budget requests affecting the U.S. Capitol Police facilities.

Over the course of the last year, we have met with and heard the concerns of the committees of jurisdiction regarding how to best

protect against the varied threats and security concerns we face today. This budget submission reflects a reasonable, measured, and prudent approach to ensuring the safety and security of the Congress, the Capitol complex and the visiting public and the viability of the U.S. Capitol Police. We will continue to work with you and the authorizing committees as we address issues concerning risk management, security, and law enforcement.

In closing, I would like to commend the men and women of the U.S. Capitol Police. Regardless of the challenge, they continually perform their duty in a diligent and professional manner. The responsibilities which rest on the shoulders of our personnel are daunting. Each day, they must ensure the safety and security of the congressional community and thousands of constituents by protecting them from crime and acts of violence. In doing so, they allow the national legislative process to proceed unhindered. However, in order to remain viable, the level of support the U.S. Capitol Police receives must be commensurate with the level and quality of service expected by the Congress and the public. This budget request is intended to meet that goal.

A detailed budget for the U.S. Capitol Police has been submitted to the committee. I will be pleased to answer any questions that you may have.

Senator BENNETT. Thank you, Mr. Livingood.

Mr. Casey.

SUMMARY STATEMENT OF GREG CASEY

Mr. CASEY. Mr. Chairman and members of the committee, I am pleased to appear before you to discuss the fiscal year 1999 budget request for the U.S. Capitol Police.

Due to the leadership and support of this committee, and the dedication of our personnel, the U.S. Capitol Police has achieved notable success in undertaking new responsibilities which address the evolving threats to the safety and security of the U.S. Congress and those who work and visit within the Capitol complex.

The U.S. Capitol Police currently faces a number of management information system issues that require a comprehensive study. The Board is continuing to seek an avenue to address these issues in consultation with the committees of jurisdiction. Our overall goal in seeking this study is to provide the Police Board and the police command staff with the data necessary to manage the department and its personnel in a cost-effective and efficient manner. While the conversion of House and Senate payrolls to the National Finance Center will address a number of issues, such as providing comprehensive payroll data reporting, several other systems, such as the time and attendance and inventory control system, are antiquated and not year 2000 compliant.

Included in this budget submission are funds to cover the department's computer and telecommunications system expenses which were previously included in the budget of the Office of the Senate Sergeant at Arms. The Senate has provided the U.S. Capitol Police with extensive equipment and technical support over the past several years. However, I feel it makes good business sense that the Police Board and the police command staff have more direct control of the funds required to purchase and operate these systems.

I join Mr. Livingood in stating my support for the department's pay initiatives. We ask a lot from the men and women of the U.S. Capitol Police, and I think it is important that they be compensated at a level which is fair and comparable to their counterparts in other law enforcement agencies. The requested night differential, holiday pay, and Sunday premium pay will ensure that we can maintain pay parity with comparable agencies. The approval of this funding will serve to provide the U.S. Capitol Police officers equality with the employees of other legislative branch agencies who already receive this type of compensation.

I also share concerns about the condition and functionality of several facilities we provide to the Department to perform its mission. I am pleased that the Architect has pledged to study this issue, and I look forward to working with him to complete this project and provide our recommendations to the committees of jurisdiction. In the interim, your favorable consideration of several repair and improvement requests for current police facilities will ensure our personnel can be provided with clean, safe, and functional working environments. Also, the first phase of the K-9 training facility renovation is underway. However, the Architect has requested funding for fiscal year 1999 which is essential to completing the project and making the facility fully operational.

During his testimony, Mr. Hantman will make a presentation on the perimeter security plan. This plan provides a comprehensive, integrated plan for making improvements which are critical to protecting the Capitol complex from acts of violence and terrorism. This plan has been reviewed and approved by the U.S. Capitol Police Board, and we have provided briefings to the Senate Committee on Rules and Administration and the chairman of the House Oversight Committee. It should be noted that several options were considered. However, we feel that this plan if implemented in its entirety, will provide the better risk management solution to long-standing perimeter security concerns.

I am proud of the recent accomplishments of the U.S. Capitol Police. This department is now involved in national security-related activities that were once considered beyond its ability. While the officer at the door will always be our first line of security, there is a depth and diversity to the U.S. Capitol Police that does not readily meet the eye. The fact that the men and women of the department can quietly and effectively handle such sensitive and important responsibilities and operate as co-equals among members of other Federal law enforcement agencies attests to the level of professionalism they have attained.

I look forward to working with the members of the committee as we continue to address the funding, support, and administrative requirements of the U.S. Capitol Police. I will be pleased to answer any questions you may have.

Senator BENNETT. Thank you, Mr. Casey.
Mr. Hantman.

COMMENTS BY MR. HANTMAN

Mr. HANTMAN. Mr. Chairman, I am pleased to join my colleagues on the Capitol Police Board and Chief Abrecht today in presenting a comprehensive, integrated program for improved security within

the Capitol complex. Before I begin this portion of the presentation, I would like to thank Bill Livingood for his enthusiasm, energy, and expertise in enabling us to move forward with the development of this proposed program, as well as Greg Casey for his outstanding leadership this past year as Chairman of the Board.

I have been Architect for just a little over 1 year, and am fully aware of our security needs, due primarily to the openness and cooperative approach my fellow Board members have displayed in the planning and decisionmaking process. For this I would formally like to thank them and their staffs for their support and inclusive spirit. We have developed a high level of mutual respect and confidence, and this has enabled us to build a productive working team.

In a few weeks, I will be presenting to this committee my proposed budget for fiscal year 1999, and its 5-year master plan dealing with the programmatic needs of the Office of the Architect of the Capitol, in support of the Congress and its legislative branch agencies. The comprehensive plan that we present to you today takes this philosophy of creating an inclusive, multiyear approach to planning and problem-solving and extends it to the critical area of security.

Other proposed short- and long-term projects, including the Capitol visitor center, would be built to serve as important parts of the systemic modernization and strengthening of the integrated security infrastructure program which we present to you today. Mr. Chairman, let me assure you and the other members of this committee that improvements to our security systems and structures is one of the main focuses of this office, in support of the Capitol Police Board, and will remain so.

MEMORANDUM OF UNDERSTANDING BETWEEN ARCHITECT OF THE CAPITOL AND U.S. CAPITOL POLICE

It may be helpful to briefly review the division of responsibilities that have been established between the Capitol Police's Physical Security Division and my office for the development and implementation of the physical security improvements within the buildings and their associated grounds. A memorandum of understanding [MOU] has been developed with the Capitol Police that established the division of responsibilities, and the processes and procedures to be followed when developing and implementing security projects. This memorandum has proven to be an excellent matrix that has fostered the development of a close working relationship between the two organizations. For the benefit of the committee and to place this agreement on the record, I have included a copy with my testimony.

In summary, the MOU assigns the responsibility for design, procurement, installation, and maintenance of physical security barriers and other structures to the Architect of the Capitol while the Capitol Police's Physical Security Division is in charge of design, procurement, installation of other security systems, including intrusion and duress alarms, x ray, scanning, and other security systems for facilities. My office continues to provide infrastructure support for the implementation of these systems. This has resulted in a strong working relationship between the two organizations.

PERIMETER SECURITY PLAN

Last year, the Senate Committee on Rules and Administration directed the Capitol Police Board to develop a specific plan for Capitol square as well as the streets surrounding the Senate office buildings. The challenge was to sensitively integrate a sophisticated security program into the historic landscape of the Capitol Grounds and the fabric of the incomparable complex of buildings that grace Capitol Hill. The solution has been strongly influenced by the fact that the Capitol is the peoples' building, and visitors must perceive it as such with reasonable access being provided. Perimeter fencing and other overly intrusive security measures have, therefore, been avoided.

To meet this challenge, the Board organized a task force made up of key staff from the Architect's office, the Senate and House Sergeants at Arms, the Capitol Police, and nationally recognized architectural and security consultants. The task force reviewed the previous work done by various groups, including the schematic design developed in the late 1980's that became known as the whip's plan, and the 1995 security evaluation requested by the Board and performed by the U.S. Secret Service and Capitol Police.

The primary elements of the proposed plan include improved security at all entrances to Capitol square through the use of a combination of high impact vehicle barriers that are police activated at the most critical locations, or card activated egress from parking-related areas. These are used in conjunction with a continuous string of security bollards similar to those designed for, and installed at, the White House. These bollards would replace the concrete planters and sewer pipes that had been temporarily put in place in the 1980's. Together with new high-impact stone planters, consistent with the Frederick Law Olmsted walls, and the integration of electronic and other security systems at each entrance, a continuously secure perimeter would be created largely internal to the original Olmsted walls which, in most areas, are too low to meet security height requirements and are not of reinforced construction.

At each of the Capitol square access points, the incorporation of modern electronic and other security systems would be integrated with new barrier structures in the form of planters designed to be consistent with the Frederick Law Olmsted walls, and the replacement of the existing concrete sewer pipes and planters with security bollards of a design consistent with that being deployed at other Government properties. The end result of the proposed changes would be significant improvements of both the security needs and appearance of Capitol square.

The Senate Rules Committee also directed the Board to develop a plan specifically to address the Senate grounds and office buildings. Although this matter relates solely to the Senate, I have requested funding under our perimeter security project in the Capitol Grounds appropriation for this purpose. I bring this to your attention to clarify the extent of that request. To resolve the security concerns, the Board recommends that landscape elements and bollards similar to those recommended for Capitol square replace the existing jersey barriers, concrete planters, and pipe sections.

This proposed solution would maintain necessary levels of security while softening the visual impact of these measures.

The proposed architectural vocabulary that has been developed through this design effort will be consistently applied to other Federal facilities within the Capitol complex, such as the Library of Congress and the Supreme Court, as appropriate, as their perimeter security programs are further evaluated and separately funded.

The costs associated with the various components of the perimeter security program total \$20 million, and are included in the Architect of the Capitol's Capitol Grounds appropriation request for fiscal year 1999. Although the costs represent a significant funding level for the legislative branch budget to absorb during this time of diminishing resources, it should be noted that it is not out of line with the magnitude of expenditures programmed for other Federal facilities which have in their aggregate been allocated over \$1 billion for security improvements in the Consolidated Appropriations Act of 1997 for upgrading security.

If these recommendations are approved by Congress, the funding will be required in fiscal year 1999, with the goal that the complete program would be fully implemented no later than the end of fiscal year 2001. Approximately \$1.5 million will be required initially to develop detailed design and constructions documents to begin this process. A preliminary construction schedule and cost estimate of the Capitol square and Senate grounds security improvement program can be provided for the record.

SECURITY PROJECTS IN THE ARCHITECT OF THE CAPITOL'S BUDGET

There are several additional projects included in the Architect of the Capitol request for fiscal year 1999 that are necessary to support the security efforts of the U.S. Capitol Police. Two of these relate to providing needed life safety improvements to police facilities, the offsite delivery center, \$50,000; as well as at the firing range in the basement of the Rayburn Building, \$50,000.

Specific needs to address security measures, other than the perimeter security project, include funding for infrastructure support for the electronic security measures being carried out by the Physical Security Division, \$1 million; improvements to the police communications center, \$1 million; work related to the command center, \$350,000; improvements to the chemical and explosives storage facility at D.C. Village, \$250,000; modifications to the offsite delivery center that are needed to improve the building and working conditions there, \$150,000; design funding for emergency systems in the Capitol, \$100,000; and, finally, funding to develop an integrated security program for the Capitol complex, \$475,000. This last project is very important as it will provide funding to assist us and the police in determining specific programmatic needs for a wide variety of police activities, and then developing options for providing the necessary facilities to support them.

ARCHITECT OF THE CAPITOL POLICE-RELATED PROJECTS

We have also requested funds in the Senate portion of the bill for several building maintenance projects totaling \$1,058,000. These include several projects related to maintaining the Capitol

Police headquarters building: replacement of worn out carpet, \$380,000; roofing work and installing fall protection, \$350,000; and installation of storm windows, \$168,000. We are also requesting that the entrance to the Russell Building at Delaware Avenue be modified for increased security and improved control of ambient air, and that is estimated to cost \$160,000.

Last, two additional items requested are an additional increment for the canine facility at D.C. Village, \$200,000, and funds to construct a kiosk at Delaware Avenue and C Street, SW, to support the inspection of goods delivered to the House loading docks, \$52,000.

All of these requests were coordinated carefully between the police and my agency, and they have been reviewed and approved by the Capitol Police Board.

Mr. Chairman, that concludes my testimony, and I would be happy to respond to any questions you and the members of the committee may have.

Senator BENNETT. Thank you, Mr. Hantman.

Mr. Abrecht.

SUMMARY STATEMENT OF GARY ABRECHT

Mr. ABRECHT. Mr. Chairman and members of the committee, I am honored to appear before you today to discuss the 1999 budget request for the U.S. Capitol Police.

Over the past few years, the U.S. Capitol Police has been a department in transition. As the agency with the sole statutory responsibility for providing protective and law enforcement services for the U.S. Congress, we must constantly strive to meet varied and ever-present security threats while providing the highest possible level of service.

During the past year, the U.S. Capitol Police has made significant progress in our critical incident management initiatives. Most notably, we are continuing to enhance our ability to respond to and mitigate the effects of a chemical or biological attack. We have conducted detection and response training for our personnel and have acquired specialized emergency equipment. In addition, we are coordinating our efforts with our agencies who have technical knowledge in this emerging field. While there is still much work to be done, I am confident that the U.S. Capitol Police is taking a proactive role in addressing this form of terrorism.

We have also made great strides in addressing more general life safety issues. We have developed the Capitol Buildings Emergency Preparedness Program and distributed emergency evacuation brochures to every office within the Capitol complex. These brochures, which comply with OSHA requirements, will ensure that every staff member will know how to safely evacuate in case of an emergency within their building.

An important part of our preparedness effort is the formation of the critical incident command group. This group brings together the U.S. Capitol Police, the House and Senate Sergeants at Arms, the Architect of the Capitol, and the Office of the Attending Physician to coordinate the response to an emergency situation. This entire process was tested in December, when we conducted the first-ever evacuation drill of the U.S. Capitol Building in conjunction

with the D.C. Fire Department and Emergency Medical Service. Such drills are beneficial to the staff, who can familiarize themselves with evacuation routes and assembly areas, and also serve as a test of our response and command capabilities.

I am pleased to report that the repair and upgrade of the physical security systems within the Capitol complex is proceeding smoothly. This effort is part of a three-phase, 5-year plan to modernize the alarms, cameras, and security equipment we utilize to protect the Capitol Building and congressional community. Once this plan is fully implemented, all of our security systems will be state of the art and they will be fully integrated, thus allowing for improved police operations and alarm response.

Clearly, the mission and responsibilities of the U.S. Capitol Police Department are expanding and evolving. Therefore, this year's general expenses budget request contains several items which reflect the increasing level of U.S. Capitol Police responsibilities. The first such item is the Hazardous Materials Program, which incorporates our chemical and biological response initiative. This initiative requires very specialized equipment which is needed to detect and mitigate the effects of such an attack. As this program develops, the equipment, which will be purchased with the appropriation, will be integral to our risk management efforts.

The second item concerns the information security systems. In order to provide for the protection of national security information possessed up here on the Capitol, the U.S. Capitol Police conducts operations to ensure that Congress operates free from the threat of surreptitious and clandestine listening devices and monitoring systems. The equipment we currently utilize is obsolete and in need of replacement. Therefore, the funds requested for information security systems will allow us to purchase the technological equipment needed to perform this critical function at the highest levels.

Finally, we have requested funding for the physical security systems program. As a result of the support and leadership of this committee, funding was provided to implement the three-phase plan I previously discussed. However, as this equipment is installed, it is important that it be maintained and placed on a planned life cycle replacement program. In doing so, we can ensure that our physical security systems are always fully operational and that we can methodically purchase equipment which keeps pace with advancements in security technology.

This has been a problem in the Congress for some time, I think it is fair to say. We have been reactive. After each of the bombings, for instance, in 1971 and 1983, security improvements were made, and then no follow-on was done to that. And the systems started to get older and older and older. And, all of a sudden, they all die at the same time when you buy them all at the same time. What we are looking for here is to put this whole system on a life cycle replacement basis, so that every year we buy a small number of x-ray machines, rather than waiting for them all to drop off the cliff and replacing them all at one time.

You can get a lot of advantages from doing that. You get the latest technology each time when you buy something. Rather than having all of one technology, you have new technology every year. The same with all of our cameras. The same with all of our alarm

systems. All of this equipment needs to be on a life cycle basis, so that every year some of it is replaced so it is constantly all working.

This year we have also requested an increase in the funding level for our fleet vehicles. In the past few years we have had to divert money from this account to fund protective operations. In doing so, we repeatedly had to extend the useful life of several of our vehicles. In order to ensure that our fleet is safe, modern, and able to meet the demands of police work, these vehicles need to be replaced. This requested increase will allow us to make a number of vehicle purchases that have been repeatedly delayed.

And part of the cause of that is something that you mentioned in your opening remarks—that we have not properly funded the protective operations in the past, and I guess I always hoped that the cost of that would go back down and we would not need as much money as we had. And I think it is on our ticket, if you will, that we did not fund those sufficiently. We had to use our vehicle money to fund that. And now we have really got ourselves into a bind. The point was very well taken that we need to base it on historical fact and then fund our protective operations at a level that they are apparently going to cost.

I join the members of the U.S. Capitol Police Board in requesting your favorable consideration of the Architect's request to fund the proposed Capitol Complex Integrated Security Facilities Program. This study will provide a means to prepare a comprehensive plan to address several very serious facilities problems. I think they have been discussed and you have had an opportunity to see a couple of them.

However, I have an immediate concern about the current condition of the K-9 training facility, the Rayburn firing range, and the offsite delivery center. Each of these facilities needs considerable repairs to address several pressing life safety, OSHA, and general-use concerns. The funds requested by the Architect will ensure that our personnel can perform their duties in safe, functional facilities until these larger issues of where these facilities ultimately ought to be located are resolved.

And, finally, this year's budget request once again includes a proposal to provide our personnel with shift differential, holiday pay, and Sunday premium pay. Since police departments must be adequately staffed 24 hours a day, 7 days a week, this type of compensation is routinely provided to law enforcement officers, including those of comparable executive branch agencies. Interestingly, it is also provided to the legislative branch service organizations which have 24-hour operations, such as the Library of Congress, the General Accounting Office, and the Architect of the Capitol. This funding will rectify this inequity and ensure that our personnel are fairly compensated.

I do not think there is any place in the country that I know of where police officers are asked to work on Christmas Day and not be paid some additional compensation for doing that. But that is the situation here. My officers, when they work on Christmas Day, while we are all at home unwrapping our packages, they are just getting compensatory time. They are not getting paid an additional nickel for working on Christmas Day. And that just is not right,

and I would hope that you would act favorably on our request in that regard.

We have also included in our budget, as Mr. Casey has mentioned, amounts for reimbursing the Senate Sergeant at Arms for computer and telecommunications services. I would like to point out that should these amounts not be approved as a result of the disagreements with the House, they will need to be restored to the Sergeant at Arms fiscal year 1999 budget.

And one of the things that scares me to death, as the Police Chief, is that I am going to end up some day with computers being switched off, with no radio systems. They have to be in some budget. If not in mine, it needs to be in Mr. Casey's. And this is obviously a matter of disagreement between the two bodies and it is way above my pay grade. But I just need the radios and the computers, and I am sure you will understand that.

As you are aware, the achievement of a unified U.S. Capitol Police payroll has been a longstanding goal of this committee and of the department. I am pleased to report that we made a significant step toward achieving that goal when we completed the conversion of all House appropriated positions to the National Finance Center for payroll purposes several months ago. And this Sunday, March 1, we will convert the positions on the Senate roll, thereby giving us a de facto unified payroll. This accomplishment represents one of the most important and beneficial administrative changes to affect the department. I would like to thank the members of the committee and your staff for providing the guidance and assistance required to successfully complete this project. It will be a major improvement in the administration of the department.

I am proud of the level and quality of service the men and women of the U.S. Capitol Police provide on a daily basis. Securing the Capitol complex is a daunting task. With the support of Congress, we have faced and overcome many challenges in the past. Many of the items included in this budget request provide a glimpse of future risk management challenges and concerns and give insight into how we are preparing to address them. As this budget submission shows, we intend to build upon past operational and administrative accomplishments and undertake new initiatives in the most cost-efficient and effective manner possible.

Thank you, Mr. Chairman.

Senator BENNETT. Thank you very much, Mr. Abrecht.

Senator STEVENS. Mr. Chairman.

Senator BENNETT. Yes.

Senator STEVENS. I have to leave to go to another meeting. Could I just do one thing before I leave? I want to apologize to you, Chief, for having grabbed you right after that joint session, when we were so disturbed about the press blocking our exit from the joint session. Later I had a discussion with other Members and with some of the wives and guests who were in the gallery. And I want to submit to you a potential problem.

This is probably the largest gathering of officials of all three branches of our National Government, executive, judicial, congressional, and many other guests, including the leaders of the military. It probably is, I would say, the most attractive target to any terrorist group in the world. And yet if you look at the possibility

of getting out of that room, the exits are all going the wrong way, people are going crossways. I really do not know how we would get people out of that room, with the President and the Vice President and all of the Cabinet, the leaders of both parties in the Congress and the Joint Chiefs. It is just a nightmare.

And the more we thought about the problem, of how all the exits are now blocked by the press, we want to ask you to study how would we get out of there, how would we get the Justices, the Joint Chiefs, the President, the Vice President, the Speaker, the majority leader, and all of the people who are in there and their guests, how would we get out of there if there was some calamity in that area?

That highlights the basic problem of just living and trying to get through the rotunda on a daily basis. It is loaded with tourists. We try to find ways around it. I end up sometimes going over and going through the Speaker's passageway in order to get through to the other side.

I think we are getting to the point where we are planning all this access by the tourists outside, but we are forgetting who lives inside and the dangers that are inside these buildings. So I would urge you to study that, and tell us, one, how are we going to deal with an emergency, and, two, how are we going to deal with just the routine activities that come from a joint session, when it is not the State of the Union Message, and we are trying to exit over there and all of the exits are blocked by the press. It just does not seem right.

And I think, somehow, my solution would be to put the press down on the first floor. But I do not know how we are going to do it. Somehow we are going to have to get out of there. And it is extremely frustrating to try to do that.

We waited for 35–45 minutes for people who were in the gallery to get back to my office. And my office is right off of that rotunda, over there next to the Speaker's office. Now, that is a long time.

I think that the system is broken down as far as just the ability to empty that Chamber when we have a joint session. And it is not your problem, I know, but I think it is our total problem.

Mr. ABRECHT. It is our problem, absolutely. I absolutely agree with you, Senator.

In fact, interestingly enough, we were concerned about this problem for several years. And that day, we had placed a video camera up in the gallery around Statuary Hall in order to film what a mess it was so that we could, frankly, use that as some impetus to get some change.

We have the videotape and we have prepared some correspondence to the Board, to say that this problem needs to be addressed. It is a life safety problem. And you are absolutely correct, there is no proper exit through that very important corridor during this event. You are 100 percent correct.

I actually took no offense at all. You were completely correct when you approached me about it. And I wish I could have told you I could do something right then, but it is a systemic problem that needs some planning, rather than addressing the way it is now. It will not work; you are correct.

Senator STEVENS. There was a novel written about 15 years ago about an attack that went on during a joint session. You ought to

read it sometime. It is a nightmare. It is increasingly a nightmare now, because of the increase in the number of people who are coming in while we are trying to go out. So I think we really need a plan to deal with that.

Mr. ABRECHT. There will be a plan for the next joint session.

Mr. LIVINGOOD. We have taken some action, too, already to alleviate the problem you ran into specifically. And there were some other plans that had been in place you did not see which, of course, we did not have to use.

Senator STEVENS. Yes.

Mr. LIVINGOOD. We had emergency plans to move the Congress and guests. We had police officers positioned at various locations. We had practiced this three times in the early morning hours.

Mr. CASEY. At 3 o'clock in the morning.

Mr. LIVINGOOD. Three o'clock in the morning. Just for this purpose, sir, prior to this, because we realized this also.

The press were a problem, because we had an unprecedented number.

Senator STEVENS. Yes, indeed, there were.

Mr. LIVINGOOD. We have since, as the Chief said, discussed this. I have discussed this on the House side with the Speaker, and we have a contingency plan already that we probably like to place at the next one. And it will require action of both the House and the Senate.

Senator STEVENS. Well, I think the participants over there are contributing to it to a certain extent, because we used to have order in terms of who went out and the right exit, more or less. The President went first, then the Justices, then the Cabinet, then the Joint Chiefs, and then Members of the House and Senate would go out different ways. It is everybody for himself now. There is no order there at all in terms of exiting a joint session. And I think that must be restored.

But that is not your problem. That is internal, inside, before they come out. But once they come out, the ability to exit that joint session depends upon the access that is provided by the police.

Thank you very much.

Senator BENNETT. Thank you, Mr. Chairman.

Thank you very much, Mr. Casey.

ADDITIONAL COMMITTEE QUESTIONS

We do have a vote. So the subcommittee will stand in recess until I can get over there and get back. I apologize to our second witness, who is Gary Sisco, Secretary of the Senate. But we have to delay until the Senate business concludes.

[A brief recess was taken.]

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Question. How does base pay and benefits of the Capitol Police compare with other legislative branch police and other local police?

Answer.

Legislative Branch Police Agencies

There are only two other Legislative Branch police forces: The Library of Congress Police and the Government Printing Office Police. Members of the Library Police are currently compensated using the Capitol Police salary scale. They do, however, receive Holiday Pay when required to work on a federal holiday. U.S. Capitol Police members receive only compensatory time.

The base salary scale for the members of the Government Printing Office Police is lower than the Capitol Police scale. They do however receive Holiday Pay, a 15 percent shift differential, and Sunday premium pay.

Other Local Agencies

There are seven other police agencies of reasonably similar size and scope in the Washington Metropolitan area: Two executive branch agencies (The United States Secret Service Uniformed Division and the United States Park Police), two city departments (The Metropolitan Police Department of the District of Columbia and the Alexandria Police Department) and three county departments (Montgomery, Prince George's and Fairfax).

While each has a different base salary scheme, the United States Capitol Police salary is generally in the middle of the range when officers of similar levels of experience are compared (e.g. starting salary, five years of service, ten years of service).

Two notable discrepancies are found when base salaries are compared: Capitol Police Officers with many years of service are the lowest paid officers in the group, and ranking officials (Captains, Inspectors and Deputy Chiefs) are paid substantially less than their counterparts in the other agencies.

Comparing benefits is considerably more complicated than comparing base pay, particularly since two states, the federal executive branch and the District of Columbia are involved. For the purposes of the issues before the Committee the following specific information is provided:

Holiday Pay.—All seven Departments pay Holiday Pay when a member is required to work on a holiday.

Shift Differential.—All seven Departments provide some type of additional compensation for work outside normal business hours. The amounts and hours of coverage vary. The scheme we have proposed is that included in Title V of the U.S. Code covering most executive branch employees, including the United States Secret Service Uniformed Division and the United States Park Police.

Sunday Premium Pay.—The two executive branch agencies, the United States Secret Service Uniformed Division and the United States Park Police, provide this differential to their personnel. We have modeled our proposal on theirs, which is found in Title V of the United States Code.

Question. The Board should be commended for supporting the Police budget officer, Bruce Holmberg in modernizing the accounting and budget functions of the police. Please update us on your efforts to cross service your accounting function. When will that be completed? Will there be any reimbursement cost associated with cross servicing?

Answer. Our Office of Financial Management has had several meetings with representatives of the GAO. Based on these meetings, indications are that this arrangement would meet our requirements while not imposing any burden on GAO. We are still in the process of providing information on our requirements and will be entering into a Memorandum of Understanding in the near future.

A preliminary decision was made to focus on the basic accounting system for implementation by October 1 of this year. Later we will add other modules including inventory systems and procurement.

There will be start-up costs and reimbursement associated with the cross-servicing. We have the amount of \$100,000 in our current budget and have included this amount again in fiscal year 1999. At this time, GAO believes that this initiative can be accomplished within these amounts.

Question. The Police's financial, human resources and information resources management systems and processes are currently being reviewed. The Police need significant modernization of their systems. Currently there are only 3 individuals in the budget office. Will these 3 individuals be able to implement the new systems? If not, are the police prepared to devote the necessary resources to help implement these new systems?

Answer. To date, we are still in the preliminary stages of providing information. As the review progresses I am certain that we will receive recommendations regarding the numbers and levels of staff. GAO has expressed some concerns along these lines for the Office of Financial Management. They have suggested a full-time detailee for the duration of the accounting project. We are looking at options including having GAO provide a detailee on a reimbursable basis.

Once the review is completed, we will take action consistent with the recommendations.

Question. Please update the Committee on the unionization of the force.

Answer. The following is a chronology of activities undertaken to date:

October 1996.—Petition For Certification as exclusive bargaining representative by International Brotherhood of Teamsters, Fraternal Order of Police, International Union of Police Associations.

January 31, 1997.—Board of Directors, Office of Compliance Decision Order Excluding certain divisions of the USCP.

February 24, 1997.—Decision and Direction of Election issued by Board of Directors, Office of Compliance.

April 1–2, 1997.—Election held at USCP Headquarters (Challenges sufficient to affect results). International Union of Police Associations eliminated.

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March 1998.—Contract Proposals to be exchanged.

April 1998.—Counter-proposals, modifications, to be exchanged.

April 23, 1998.—Actual negotiation of Collective Bargaining Agreement to begin.

In general, relations between the FOP and the Department management have been business-like and cordial. The FOP has represented members of the bargaining have been filed, all of which have either been settled or resolved in the Department's favor. The volume of labor relations work generated has been heavy, and the additional FTE for a Director of Labor Relations is urgently needed.

Question. The Board has requested \$362,000 for replacement vehicles. Does the Board plan to retire the vehicles they are replacing? If so, could you provide the Committee with an estimate of the trade-in value of those vehicles and the total balance necessary to meet the request.

Answer. The total amount requested for vehicle replacements is \$498,000. The trade-in value of the replaced vehicles is not factored in to our estimate. Traditionally, we receive very little for the vehicles that are traded because of their overall condition and high mileage. The 16 vehicles that we plan to replace all have in excess of 75,000 miles ranging up to 110,000 miles. Of the eight motorcycles, 2 have been declared "totaled".

For the twenty-five vehicles planned for replacement, we have received estimates ranging from \$64,000 to \$80,000. The net cost of the new vehicles will range from \$418,000 to \$434,000 if the trade-in value is received.

Question. Last year the Police Board requested and the AOC included in its budget request \$350,000 for fiscal year 1998 and \$350,000 for fiscal year 1999 for funds to renovate the K-9 facility. The Appropriations Committees provided \$200,000 in fiscal year 1998. Since last year, the police officers have done a substantial amount of the work at the K-9 themselves. Has the AOC's office done any work with the \$200,000 provided? Have they reevaluated the cost of that project in light of the work that has been done?

Answer. Although the U.S. Capitol Police have performed a creditable job in cleaning out the existing facility, none of the mechanical, electrical, plumbing or other repairs have been undertaken. These are presently under design. The plan for fiscal year 1998 is to renovate the portion of the building that accommodates the canines by replacing the heating, ventilating and air conditioning system, upgrade the electrical system, install adequate kennel drainage and plumbing, resurfacing the floor, and replacing doors, door frames, windows, etc. as required to permit housing of canines in the building. During fiscal year 1999, the administrative portion of the building will be renovated with the \$200,000 funding increment programmed for that year. The fiscal year 2000 increment will focus on exterior site problem, especially drainage around the building and the training field. The final programmed increment of \$100,000 in fiscal year 2001 will complete the site work by addressing the parking, relocation of the trailers, and any final work required.

Question. Last year the Committee gave the Office of the Architect \$100,000 of the \$150,000 requested for OSHA repairs to the off-site delivery facility. The Board is requesting the additional \$50,000 this year. Of the original \$100,000, what work has been completed to date? Is the total \$50,000 still required to complete the project?

Answer. A preliminary survey of the off-site delivery facility (P St. Warehouse) has been completed, and a scope of services has been developed. An architect/engineer will be retained to complete a phased plan for implementation of the OSHA repairs and related improvements. Phased implementations of the repairs will begin in late spring or early summer. The additional \$50,000 requested in fiscal year 1999 will be required to complete the project.

Question. In fiscal year 1998 the Police budget included a request for \$2,140,000 for telecommunications and computer upgrades. For fiscal year 1999, the Police are requesting \$1,477,000 for computers. Last year the question was raised whether that substantial of an increase for computers was a one-time increase or should we expect continuing high budgets in this area. Can we expect the normal non-recurring budget to be in the area of \$600,000 per year?

Answer. There are several issues surrounding the fiscal year 1999 request for computer services. The first issue is that the USCP has received support for computer services in the past from the Office of the Senate Sergeant at Arms. At the direction of the Senate Committee on Appropriations, the USCP has included this cost in its own budget for fiscal year 1999, while the Office of the Senate Sergeant at Arms has omitted this item from their own budget request.

The fiscal year 1999 request for USCP computer services totals \$1,007,000. Of this amount, \$207,000 is for maintenance and service contracts currently in effect through the Office of the Senate Sergeant at Arms and some miscellaneous hardware and software. The remaining \$800,000 is for systems replacement in the USCP.

The systems referred to include the Inventory Control System, Time and Attendance, Personnel Administration, Injury System, Congressional Employee Locator System, Report Writing System and the Expense Control System (accounting). The migration of the House and Senate payrolls to the NFC will be completed in March, 1998. In addition, meetings are currently on-going for a planned cross-servicing arrangement with the General Accounting Office for the accounting system. Timelines are being developed consistent with a planned effective date of October 1, 1998.

The remaining systems currently reside on an antiquated platform on the Senate Computer Center's mainframe computer which is no longer supported by the vendor. Further, these systems are not Year 2000 compliant, and due to their antiquated state, there are no plans to make them compliant. Even today, we are beginning to experience some problems in our applications which track leave categories and longevity dates. In summary, these systems are inadequate, are no longer supported by the vendor, are not Year 2000 compliant, and will not be supported by the Office of the Senate Sergeant at Arms in the future.

The funds requested for the above systems replacement are to cover costs of developing specifications, vendor analyses, systems and applications development, testing, training, licensing fees, reporting systems, maintenance and systems integration. Finally, an interface will need to be developed to integrate data from the legacy systems to the new systems.

The fiscal year 1999 request for telecommunications and computer services is broken down as follows:

Monthly Service and Maintenance Costs:	
Telecommunications	\$470,000
Computer Services	107,000
Purchases:	
Computer Systems	800,000
Hardware/Software	100,000

Question. What is your estimated total cost to address the year 2000 problem? What has been spent to date? What is being requested in your fiscal year 1999 budget? What is your cost estimate beyond the year 2000?

Answer. Approximately \$700,000 was spent in fiscal year 1997 by the Office of the Sergeant at Arms to replace all computer hardware and office automation software. Although this was not directly related to the year 2000 problem, by replacing all the hardware, it is now year 2000 compliant and allowed PC based applications to become year 2000 compliant.

The amount of \$800,000 is requested in fiscal year 1999 to replace systems that are operating on an antiquated platform in the Senate Sergeant at Arms's computer

center which are no longer supported by the vendor. There are no plans to invest in making these systems and applications year 2000 compliant.

If the requested funding is received and all systems applications are re-engineered and placed into production, there should be no additional cost for the year 2000.

Question. Have the Capitol Police developed any contingency plans in the event the systems fail on January 1, 2000.

Answer. Yes. There are two options dependent on actions and approval of the Senate Sergeant at Arms. The first option would require the Sergeant at Arms to retain the current development application UFO on the mainframe computer where dates would be expanded and code written to deal with failures. Secondly, code is currently being written to move the data files off the mainframe to existing PC based servers. Should funding in fiscal year 1999 not be approved, one of these options will have to be implemented until funding to re-engineer the applications is obtained.

Question. How many data interfaces does the Police have with external organizations? Describe how the Police is working with those organizations to develop mutually agreed-to data formats for exchanging information.

Answer. The USCP has two data interfaces with external organizations. Discussions between the Capitol Police Systems Administrator and Metropolitan Police have determined that the interface to the Metropolitan Police Department's WALES/NCIC system does not include date processing and is not in danger of failing. The system has already been upgraded to provide license expiration dates into the year 2000. The Capitol Police is replacing all dumb terminals with PC's running Emulation software which are Year 2000 compliant.

The National Finance Center interface has the same PC based Emulation software used for the Metropolitan Police connection. The USCP relies on two applications from the Architect of the Capitol used for communication with the National Finance Center which are planned by the AOC for replacement to make them year 2000 compatible. The National Finance Center provides data files on tape each pay period. A request is being prepared to have those data files include a 4 digit year.

QUESTIONS SUBMITTED BY SENATOR BYRON DORGAN

PERSONNEL INCREASE

Question. Last year's bill included funding for 1,255 FTE's. This year, you are requesting two additional FTE's—one for public relations and one for the labor-management office. Please explain why these two new positions are needed, and how these functions are currently handled and staffed.

Answer. We have requested one FTE to serve in the Public Information Office. Currently, this office is staffed by one Sergeant who is responsible for managing the entire public information and public relations effort for the Department.

At the direction of the Capitol Police Board, the Department is undertaking a comprehensive crime prevention effort which will address the safety and security needs of the House and Senate offices within the Capitol Complex as well as state and district offices around the country. There is a significant need for this program, however, it will greatly increase the workload of the Public Information Office beyond the capability of the one person assigned there. The civilian who will fill this position will assist in preparing informational items and scheduling seminars and presentations for members and staff.

As a result of the Congressional Accountability Act, a collective bargaining unit has been established within the Department and we are in the early stages of negotiating a contract with the union. We are currently using an outside expert on a contract basis to assist us, but we need to establish a Labor Relations Office to handle the ongoing contract administration, grievance process, etc.

UNIONIZATION STATUS

Question. What is the current status of unionization efforts in the Capitol Police under the Congressional Accountability Act?

Answer. *The following is a chronology of activities undertaken to date:*

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In general, relations between the FOP and the Department management have been business-like and cordial. The FOP has represented members of the bargaining unit in several grievances which have been resolved. A number of Unfair Labor Practice charges have been filed, all of which have either been settled or resolved in the Department's favor. The volume of labor relations work generated has been heavy, and the additional FTE for a Director of Labor Relations is urgently needed.

PAY

1998 COLA Increase

Question. The Capitol Police is requesting \$2.3 million for mandatory pay and related costs. Last year, you requested \$1.4 million for the COLA. Was the COLA approved?

Answer. Yes it was. The President signed Executive Order 13071 on December 29, 1997 effecting a 2.3 percent across-the-board cost of living increase for federal executive branch employees. Locality based comparability pay for the Washington DC area was increased by a net amount of 0.15 percent.

Sunday/Holiday Pay and Night Differential

Question. The Capitol Police is requesting \$2.44 million for Sunday and Holiday pay and Night Differential. Is additional authorizing legislation required if funding were provided?

Answer. In the administrative provisions of last year's appropriation bill, the USCP was directed to establish and maintain unified schedules of rates of basic pay for members and civilian employees whose appointing authority is an officer of the House as well as the Senate. This schedule will take effect upon approval of the Committee on House Oversight and the Committee on Rules and Administration. A proposed schedule has been developed and is currently pending before these committees.

If the requested funding for Sunday and Holiday and Night Differentials is approved, the Board will amend the unified schedule to include these rates and re-submit to the committees for approval.

Question. How does the current pay and benefit package of the Capitol Police compare to local area law enforcement agencies, and would an appropriation of your full request of \$2.44 million bring parity with the Capitol Police and other local law enforcement agencies?

Answer. Legislative Branch Police Agencies.—There are only two other Legislative Branch police forces: The Library of Congress Police and the Government Printing Office Police. Members of the Library Police are currently compensated using the Capitol Police salary scale. They do, however, receive Holiday Pay when required to work on a federal holiday. U.S. Capitol Police members receive only compensatory time.

The base salary scale for the members of the Government Printing Office Police is lower than the Capitol Police scale. They do however receive Holiday Pay, a 15 percent shift differential, and Sunday premium pay.

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of Columbia and the Alexandria Police Department) and three county departments (Montgomery, Prince George's and Fairfax).

While each has a different base salary scheme, the United States Capitol Police salary is generally in the middle of the range when officers of similar levels of experience are compared (e.g. starting salary, five years of service, ten years of service).

Two notable discrepancies are found when base salaries are compared: Capitol Police Officers with many years of service are the lowest paid officers in the group, and ranking officials (Captains, Inspectors and Deputy Chiefs) are paid substantially less than their counterparts in the other agencies.

Comparing benefits is considerably more complicated than comparing base pay, particularly since two states, the federal executive branch and the District of Columbia are involved. For the purposes of the issues before the Committee the following specific information is provided:

Holiday Pay.—All seven Departments pay Holiday Pay when a member is required to work on a holiday.

Shift Differential.—All seven Departments provide some type of additional compensation for work outside normal business hours. The amounts and hours of coverage vary. The scheme we have proposed is that included in Title V of the U.S. Code covering most executive branch employees, including the United States Secret Service Uniformed Division and the United States Park Police.

Sunday Premium Pay.—The two executive branch agencies, the United States Secret Service Uniformed Division and the United States Park Police, provide this differential to their personnel. We have modeled our proposal on theirs, which is found in Title V of the United States Code.

CIVILIAN MERIT INCREASE PROGRAM

Question. You are requesting \$75,000 for a civilian merit increase program. What is the purpose of this program? How is it different from other legislative branch entities?

Answer. Merit pay is a performance recognition program whereby employees receive compensation in recognition of extraordinary performance or contributions. Merit increases are distinguished from longevity increases, also referred to as "within-grade" increases, in that the focus is to reward employees for extraordinary performance and not time in grade.

Merit pay authority has been and is utilized by the other employing authorities under the House Employees Position Classification Act, i.e. House Officers, (Clerk, CAO, etc.) pursuant to the "Classification Guidelines.

NATIONAL FINANCE CENTER UPDATE

Question. What is the status of the integration of the House and Senate Capitol Police payroll systems at the National Finance Center?

Answer. When I appeared before this Committee last year, I indicated that the personnel and payroll systems for House-funded positions were scheduled for conversion to NFC on March 30, 1997. I am pleased to report that this transfer took place on that date and that 100 percent of eligible employees were paid, with a continuing record since of 100 percent payment processing through the NFC automated system.

Further, on March 1, 1998, the Department will complete the conversion of all Senate-funded USCP positions to the NFC system. For the first time in the history of the USCP, the conversion of House and Senate-funded positions to NFC will achieve the long pursued goal of a unified payroll, the results of which will confer major impact on the Department's ability to more effectively manage many of its administrative functions.

I would be remiss if I did not acknowledge the long-standing support of this Committee in making a unified payroll for the USCP a reality. I can tell you from making my rounds periodically at roll call, that this change has had a profound impact on the morale of the troops as complaints about payroll have virtually stopped.

GENERAL EXPENSE BUDGET

Question. The request for the General Expense budget is \$8.4 million, an increase of \$5.3 million from last year's enacted level. It is my understanding that several new components have been requested in this budget, which make up a significant amount of the requested increase, and are necessary due to the increased level of Capitol Police responsibilities and their expanding and evolving mission.

Please give a brief description of the new components requested in your General Expense budget and the need for these new programs.

Answer.

Object Class

	<i>Increase</i>
Travel	\$345
Anticipated increase in official travel of the department due to expanded role related to the mission. This object class has been under estimated in recent years, forcing the department to reprogram money from other object classes and accounts.	
Rent, Communications and Utilities	54
This increase is attributed to increased costs of copier leases, cell phone costs and other equipment leases.	
Other Services:	
Hazardous Materials Program	260
Tuition for officers and civilians	133
Medical and Physical Standards Development	100
Information Security Systems	500
Net decreases in other estimates	(55)
Telecommunications	470
Computer Services	2,415
Subtotal	1,007
Supplies and Materials	158
The requested increase is to cover increased costs of fuel, oil, uniforms and operational supplies.	
Capitol Assets:	
Life-cycle Replacement of Physical Security equipment and systems	1,662
Vehicle Replacements	362
Specialty Equipment	202
Electronic Equipment	25
Net increases in other estimates	39
Subtotal	2,290

Question. The largest increases are \$1,007,000 for computer services and \$2.3 million for capital assets. What computer services are needed? Since there is a study of police management and financial systems being conducted, shouldn't we wait for that study before funding additional computer expenditures?

Answer. There are several issues surrounding the fiscal year 1999 request for computer services. The first issue is that the USCP has been supported for computer services in the past by the Office of the Senate Sergeant at Arms. At the direction of the Senate Committee on Appropriations, the USCP has included this cost in its own budget for fiscal year 1999, while the Office of the Senate Sergeant at Arms has omitted this item from their own budget request.

The fiscal year 1999 request for USCP computer services totals \$1,007,000. Of this amount, \$207,000 is for maintenance and service contracts currently in effect through the Office of the Senate Sergeant at Arms. The remaining \$800,000 is for systems replacement in the USCP.

The systems referred to include the Inventory Control System, Time and Attendance, Personnel Administration, Injury System, Congressional Employee Locator System, Report Writing System and the Expense Control System (accounting). The migration of the House and Senate payrolls to the NFC will be completed in March, 1998. In addition, meetings are currently on-going for a planned cross-servicing arrangement with the General Accounting Office for the accounting system. Timelines are being developed consistent with a planned effective date of October 1, 1998.

The remaining systems currently reside on an antiquated platform on the Senate Computer Center's mainframe computer which is no longer supported by the vendor. Further, these systems are not Year 2000 compliant, and due to their antiquated state, there are no plans to make them compliant. Even today, we are beginning to experience some problems in our applications which track leave categories and longevity dates. In summary, these systems are inadequate, are no longer supported by the vendor, are not Year 2000 compliant, and will not be supported by the Office of the Senate Sergeant at Arms in the future.

The funds requested for the above systems replacement are to cover costs of developing specifications, vendor analyses, systems and applications development, testing, training, licensing fees, reporting systems, maintenance and systems integration. Finally, an interface will need to be developed to integrate data from the legacy systems to the new systems.

This management review is currently in the planning stages. Given the current state of our systems and the timing of the Year 2000 issue, there is a universal con-

sensus that new systems will be required. Regardless of the specific recommendations of the management review, funding will be needed as soon as possible to resolve the current situation.

Question. Please provide me with more detail regarding the \$2.3 million for capital assets. Specifically, what physical security equipment and systems need to be replaced?

Answer. Of the \$2.3 million increase for capital assets, \$1,663,000 is for a life-cycle replacement schedule for physical security equipment and systems. The no-year funding provided to date is dedicated to replacing existing systems that are failing and obsolete. The funding does not allow for the wholesale replacement of all security systems. Additionally, there is no funding identified for new security systems and equipment requests, or the upgrade of security systems on a periodic basis on projected equipment life-cycles.

The request for fiscal year 1999 puts into place a process and annual budget to allow for the continued replacement of older equipment, to procure new systems for new requirements, and establish an orderly security equipment upgrade. It prevents the need for wholesale replacement of security systems through no-year funding by establishing a fully funded physical security program.

Of the remaining \$637,000, an increase in vehicle replacements is requested in the amount of \$362,000. This amount will allow for the USCP to "catch up" with its original schedule of replacements. In the past two fiscal years, funds for this object class were necessarily diverted to cover the costs of protective services.

Finally, \$266,000 is requested to purchase weapons, training equipment, thermal imagers, night sights and miscellaneous equipment.

<i>Item</i>	
Replacement CCTV Monitors	\$35,000
Replacement CCTV Cameras	50,000
Purchase SCIF Alarm Systems	60,000
Duress Alarms for Committee	63,000
Replacement Metal Detectors	100,000
Upgrade Members Duress Alarms	125,000
Preventative Maintenance Contract	130,000
Card Access Systems Installations	150,000
Intrusion Alarm Systems	250,000
Replacement X-ray Machines	700,000
Total, Physical Security Equipment and Services	1,663,000

CRIMES AGAINST PERSONS AND PROPERTY

Question. In looking at a summary of offenses involving property on the Capitol grounds for the period fiscal years 1996–1997, I note that the total number of crimes involving burglaries, stolen automobiles, office thefts, has increased over 30 percent.

To what do you attribute this escalation in crimes against property, and what steps are you taking to increase security on the Capitol grounds in an effort to bring these statistics down?

Answer. You are correct that property crime bounced back up last year after a large decline the previous year. To put it in perspective, it's still 5 percent below the previous year, fiscal year 1995, and 30 percent below fiscal year 1993.

As we saw the property crime numbers going back up, we took a number of steps to get them back to the lower level of fiscal year 1996. We seem to be back on track. So far this fiscal year, with almost five months gone, we're showing a decrease of 30 percent over the same period last year. Swings on the order of 30 percent in property crime is more than one would expect from year to year. One possible explanation is the two-year Congressional cycle. The biennial office moves, particularly on the House side, create an opportunity for theft as equipment is left in the hallways and large numbers of contract employees are brought in to do the work. Also, the new staff may not be as security-conscious as those who have been around for a while. We are taking steps which include a "Dear Colleague" letter to staff, distribution of literature and having building patrols visit offices. We are having our divisions coordinate with CID more intensely and increasing plainclothes surveillance. We have had discussions with the Architect of the Capitol regarding control of contractors.

We take crime in the complex very seriously and move aggressively when we see patterns of crime which need to be addressed.

CAPITOL COMPLEX INTEGRATED SECURITY FACILITIES PROGRAM

Question. Mr. Hantman, could you explain the Capitol Complex Integrated Security Facilities Program, and the amount of funding included in your budget request for this program?

Answer. The U.S. Capitol Police have identified a need to provide an integrated security facilities program for their physical facility needs. Several facility related issues have arisen that are very critical to the operations of the Capitol Police and the safety of Members, staff and visitors. These items require careful scoping and planning to be addressed before large sums are invested in facility improvements. These facility problems need to be addressed as soon as possible. Rather than addressing these piecemeal, funds are requested to hire a contractor to provide a conceptual master design plan to determine how best to address these critical problems. The U.S. Capitol Police Board views these needs as a critical element of the overall security plan for the Capitol Complex.

The Police facilities have remained essentially unchanged for the past twenty years. During this period, the Department has grown both in size of personnel and statutory responsibility. The Police have compensated by utilizing other resources which are no longer available. For example, FBI training facilities at Quantico, Virginia made available to the Police in the past by the FBI for Entry Level Training of new Recruits, Officer Survival and Dignitary Protection training are no longer available due to the FBI's own training requirements.

The first major concern is the Off-Site Delivery Inspection Center located at Half and "P" St. S.E. (South Capitol Street Warehouse). The Off-Site Delivery Center will soon be required to screen vehicles delivering items to the House Office Buildings. This additional responsibility will compound existing safety concerns, and exceed the capabilities of the existing facility. Required increased staffing will create an additional work space problem.

This facility is also causing significant employee health and safety concerns. It is housed in a fairly dilapidated leased warehouse. Further, it lacks adequate ventilation for the exhaust fumes from the vehicles being inspected. Funds were requested by the Architect's office in fiscal year 1998 to address these concerns. The bathrooms, locker areas and office space are unacceptable, and funds also have been requested by the Architect's office in fiscal year 1999 to improve these conditions. Both of these temporary improvement projects were requested in fiscal year 1998. Partial funding was provided for the compliance issues but the locker and associated modifications were deferred.

The second issue to be studied is the lack of adequate training facilities. At this time, the Training Division has access to a total of only three training classrooms. None of these areas is large enough to accommodate essential programs such as Physical Conditioning and Defensive Tactics.

All three current classrooms are located in the Ford House Office Building. Two of the three existing classroom spaces are immediately adjacent to occupied congressional staff offices. Their close proximity to occupied staff offices severely inhibits the Police's ability to conduct essential practical exercises and scenario training in police legal labs and officer survival training. The existing space has no provisions for locker rooms, or shower facilities following physical conditioning training. Police officers are forced to change clothes in the buildings public restrooms.

Finally, there currently exists a critical need to acquire exterior training areas to conduct Vehicle Pursuit and Evasive Tactics, Motorbike, Bicycle Patrol, Civil Disturbance Unit, Ceremonial Unit, Officer Safety and Survival, Dignitary Protection, Motorcade Movement and Security, Physical Conditioning, and Defensive Tactics training. Storage facilities for training aids will also be required.

Lastly is the proposed relocation of the Vehicle Maintenance Facility. This facility is far too small to allow for safety zones to be established around grinders, welding equipment, eye wash stations, lift and fire extinguishers. In general, this facility has continual problems with the roof leaking and the inability of the air-conditioning system to properly cool a building with metal sides and roof. Additionally, while the need for a larger facility is critical, safety and environmental considerations pose the greatest concerns. The building is infested with mice and other insects, and all efforts by the AOC to exterminate them have proven to be unsuccessful. This facility is located within the perimeter of the coal yard. Coal dust from the coal yard creates poor air quality and results in a coal dust coating on everything contained within this facility. The lack of a vehicle exhaust ventilation system further contributes to these health concerns.

The above concerns are separate from anticipated repairs and expenditures required to bring these facilities into compliance with the existing standards established by the Occupational Safety and Health Administration (OSHA).

Once the Master Plan is completed, it will address how the Capitol Police can best address resolving these facility issues. These plans would then form the basis for requesting design funds for new or renovated facilities. These funds are requested on a "No Year" basis.

U.S. SENATE

OFFICE OF THE SECRETARY OF THE SENATE

STATEMENT OF GARY SISCO, SECRETARY OF THE SENATE

ACCOMPANIED BY:

SHARON ZELASKA, ASSISTANT SECRETARY OF THE SENATE

STUART F. BALDERSON, FINANCIAL CLERK OF THE SENATE

SUMMARY STATEMENT

Senator BENNETT. The subcommittee will reconvene. Our second witness is the Honorable Gary Sisco, Secretary of the Senate. We welcome you, sir. This is your second year testifying.

You heard my opening statement where I said the appropriate nice things about what you have been doing. We will be happy to hear your testimony.

Mr. SISCO. Thank you, Mr. Chairman. I appreciate those remarks. That is on target for what we have been trying to do in running the office for the time that I have been here.

With me today is Sharon Zelaska, Assistant Secretary, and Stuart Balderson, who is the Financial Clerk for the Senate. Unless we get into questions and details which stump me, I will be the only one speaking today. But Sharon and Stu represent more than 200 people who work in the Office of the Secretary, who are responsible for delivering day-to-day services to the full Senate. And we appreciate all the work that they have done.

My full statement has been filed with the committee, and it is almost identical to the one that we presented to the Rules Committee, modified by a little more emphasis, obviously, on the finances and the dollars, with a little more detail there. And the statement represents reality in terms of how we are trying to operate the office.

FISCAL YEAR 1999 BUDGET REQUEST

So what I would like to do this morning is just to present the budget request for fiscal year 1999. I want to discuss the funding of our two mandated systems, the legislative information system [LIS] and the financial management information system [FMIS], and where we stand there and what we have done with the money. I want to touch on issues of staffing key positions in the legislative departments and in the Disbursing Office, and then respond to any questions that you all might have.

I have proposed an operational budget of \$15.205 million total for fiscal year 1999. And as you indicated, it reflects only a 2.9-percent increase over the fiscal year 1998 budget, which is totally attributable to our projected COLA. The \$1.511 million for expenses is level funding from last year. We will continue to try to hold the line on that.

Through careful management we have consolidated some jobs; we have consolidated a couple of departments—and, I think, through just good, old-fashioned hard work on the part of the people who work in the Office of the Secretary, we have maintained the services and tried to improve them, without asking for any additional money or any additional positions up to this point.

However, looking down the road, with the work that we have got to do on these mandated systems, while continuing to do the day-to-day job, I am asking for up to 15 positions to be created, but no additional funding for those. We will attempt to—and I think that we can—absorb those into this funding request that is before you and that's the reason I have not asked for any extra money.

Additionally, we are not asking for any additional funding for the nonpersonnel costs related to the LIS or the FMIS for fiscal year 1999. We believe that we have on hand allocated funds for things that we need to do and to respond to things that we need to do to implement those two systems and to operate them.

STRATEGIC PLANNING

Strategic planning is of great interest to the Senate. We are basically there, looking at trying to take advantage of new technologies. But also we are trying to keep improving methods of conducting Senate business. I told someone that this was a pretty good place before I arrived here, in terms of the way it works and the checks and balances. So if something is not broken, we are not going to try to fix it. But we are going to try to adapt new technology where it makes sense, and bring the Senate forward there.

LEGISLATIVE INFORMATION SYSTEM

And that leads me to systems. For the legislative information system, we have estimated the total cost through the year 2000 to be \$8.909 million. Now, I have tried to arrive at a total cost for the system—not only in my budget, but in the Sergeant at Arms' budget and then the implementation of it—to where we could have a feel, before we ask for the authorization of a project, what the total cost to the Senate would be.

Of that, the estimated allocation of \$4.104 million would be from my budget, for the project office and the systems design requirements. And \$4.805 million was our estimate for what the Sergeant at Arms would spend for hardware, software procurement, and then to get the system implemented.

The committee has previously, as you know, provided \$5 million in funding for this system, that was in the emergency supplemental appropriation for last year. As I said, we will not ask for any new money for that. The money that we have spent to date was derived from transfers and the reappropriation of money that was previously appropriated for the Senate. So this will not impact us. It will take about \$8.9 million, \$4.1 million from my budget and about \$4.5 million from the Sergeant at Arms budget, to get the LIS implemented, the way we see things currently and looking down the road.

We have spent \$1,052,917 for LIS in fiscal year 1997. This was done with the committee's approval from existing appropriations for our office. It reflected an effort to use available funds, to mini-

mize any possibility that we would even have to request any more in the future.

The amount of \$518,886 has been expended in the first quarter of fiscal year 1998. And that, of course, will come out of the \$5 million.

When LIS is complete, it will provide an online electronic access to all the legislative information from one source and in one format. And it will serve as a repository of all of the information in the legislative process in the Senate.

We are on schedule with that project, I am pleased to say. It has the benefits of establishing data standards for exchange of information between the House and the Library of Congress, the Government Printing Office, and eventually, the National Archives, to facilitate the smooth flow and tracking of information from point A, at which something is introduced into the system, to point Z, when it is filed with the National Archives.

AMENDMENT TRACKING SYSTEM

We are beginning to see some benefits from the work that we have done and the work the staff has done. We have an amendment tracking system that is available now to Members and staff.

In the past, when an amendment was introduced on the floor, it would be assigned a number, as you know, and then copies would be made of it. And it would then be hand carried, or picked up, from each of the offices for anyone who was interested in seeing what the amendment really said, and to be able to analyze the impact it would have on the bill and to make a judgment call in terms of what a Senator's position would be on it. And that would take some time.

Now, with the amendment tracking system, and with an optical scanner, when the amendment is assigned a number, up to approximately 12 pages can be scanned and, within 20 minutes, on every PC connected within the Senate, the amendment will be before the legislative assistant, for the Senator to see. That is available now.

AUTOMATED ROLLCALL VOTES

Also, we have automated the rollcall votes. They are automated in the same format that they are printed in the Congressional Record. But instead of having to wait for the next day to see how a vote turns out or to analyze it or have it available for whatever purposes, it is available within 1 hour on the system, on the LIS, right now.

COMMITTEE SCHEDULING

Another innovation this year is the complete committee and subcommittee schedule. We discussed that some last year. We were prepared to give a demonstration then, and we are prepared to give a demonstration now, but there is no hookup in this particular room to do it. So I invite the committee, anyone individually or collectively from the staff, that at any time you want to have a detailed demonstration of that, you go in, search by the Senator and

get a complete committee schedule for the committees or subcommittees that Senator is a member of.

You can go in by committee name, and you can get the schedule of that committee, as far as they have been reported to the daily digest, which is within our office and is responsible for tracking all of the hearings. You can also go in and ask for conflicts, and it will pull together and print out each of the committees by, say, Senator Bennett. If you went in under your name and asked for conflicts, it would print the ones that were all scheduled at the same time.

And we think it is particularly helpful as a planning tool for a chairman to call a meeting or to see when the members of his committee might be most readily available to have hearings and to facilitate the whole process. So that is available.

I have left with the staff, in lieu of a live demonstration, this little booklet that I will not attempt to go through today in this hearing, but it shows the reports that are in there. And, again, this was announced in January and it is available for your staff. And we stand available and ready to do a live demonstration any time anyone would want one.

USER RESPONSE

We are regularly surveying legislative directors, secretaries, chiefs of staff, and obviously Senators, to ask what do you most need in the legislative system, what would help you do your job most effectively, what sources are you using now. And we are incorporating all those responses into the design of the legislative information system.

Our primary question on everything that we are doing is how does this help an individual Senator do his or her job on a day-to-day basis, positively, negative or neutral, and then we make a decision on whether or not to try to do it. Because that is why we are here.

Senator BENNETT. Do you have any sense of usage?

Mr. SISCO. We do. On the last survey, 52 offices responded. And 87 percent of the respondents used the legislative information system, in its current stage of development, as their first and primary source of inquiry into the whole process. And at this point, obviously, it is not fully implemented and not fully known, but when that happens, I think we will see regular usage.

We have got to educate people that the tool is out there to be used.

Senator BENNETT. Yes; that is my concern, how many offices know that it is there and pay attention to it and use it in any sense. I guess you cannot monitor the number of hits you get, because you get a lot of hits from outside the Senate?

Mr. SISCO. On the home page in the web site, we can monitor the hits though we do not know the source. But on LIS, the only way I know to do it is just to continue to announce it, and re-announce it. We are thinking of putting it on the internal Senate TV from time to time, and just basically market it as a tool that is available. And, over time, I think, when people see the benefits from using it instead of doing things manually, by the old way or the existing system, then I think it will catch on.

Senator BENNETT. Good.

FINANCIAL MANAGEMENT INFORMATION SYSTEM

Mr. SISCO. In the financial area, FMIS, I have not put the estimated budget together yet, because we are still in the process of developing the project plan. However, the requirements for the system will be completed next month and signed off on by everybody in the Senate whom it impacts. And that is everybody in our office, under the leadership of Stuart, the Financial Clerk, the Sergeant at Arms people in the computer center, and the Rules Committee. And, again, we have got a project office that involves Senate input.

But we have \$7 million that was first appropriated in fiscal year 1995. And when I arrived about 17 months ago, we had spent \$194,000. We have spent another \$10,000 since then. So we have about \$6.8 million of that left. We have spent about \$200,000. And, again, most of the activity has been in terms of coming up with correct systems design requirements from the people who have been doing the job in the Disbursing Office, and making sure we have got the requirements right before we go out and spend the money.

And so your recognition, Mr. Chairman, of the fact that—especially in the financial area and in every area, where we have got an impact on these new systems, people have to do the job, but also they have had this extra burden of designing and making sure these requirements are what fit the Senate—it is appreciated that that is recognized. Because it requires a lot of extra work on everyone's part.

The financial management information system will take us from a cash basis to an obligation and accrual basis. It will produce an auditable financial statement, and it will make a consolidated financial statement available for the whole Senate. It will also, being a replacement system with commercial, off-the-shelf software where at all possible, solve the year 2000 problems for the financial system and will take that out of the loop. That is primarily the Sergeant at Arms' responsibility, in terms of making sure that the hardware and software is year 2000 compliant.

But I will digress from what I want to say here and tell you that we have looked at the captioners' equipment, the Official Reporters of Debates, the library, the Historian's Office, some of the offices within our own operations, and have addressed the year 2000 problems that are not computer based. And we are in good shape there. They are either already year 2000 compliant, or it is not a problem, or we have one situation that we will address in the near term.

Before September 30, 1999, as part of FMIS, Stuart and his people will replace the general ledger and consolidate the purchasing system into that system, under the Disbursing Office. And also by then, we will have the payroll system upgraded, and it will be year 2000 compliant, as I said.

We will then be in a position—after converting everything over, as much as possible with commercial off-the-shelf software instead of customized software—to take the Senate operations into post-year 2000, into the next millennium, and then begin to take advantage of some of the client/server-based software and operations that we are not able to now with so many of our things that are on the mainframe. So it will position us to get even greater benefits that we have not yet identified but that we know are out there.

So that is the status of the financial management information system.

SUCCESSION PLANNING

One other thing that I think is key is succession planning. We have people within the Chamber and within the Disbursing Office, within all of our offices, who are eligible now to retire or will be eligible very soon. For some of these jobs, to get to the first position, which is very visible in the Chamber, it takes 4 to 8 years, based on historical facts, for someone to come in, train on the job, and work themselves up to occupy those chairs. And there is similar experience that is required in other offices.

So we are looking at that. And what we are trying to do is look at the average age and the average length of service for the first person in each of the department head positions, and then the second, and on down the line, to where we have succession planning and we have experienced people in here, so that death or disability or retirement does not grind the Senate to a halt. Not this budget, but our future budget will have to take that into account, even though we will allocate 4 or 5, at this point, of the new 15 positions that we are requesting, to supplementing those positions. The rest of them will be in the Disbursing Office.

CAPITOL VISITOR CENTER

Finally, just a word about the Capitol visitor center. It was addressed by the Capitol Police Board. It was addressed yesterday in the Rules Committee by the Sergeant at Arms and the Architect of the Capitol in their testimonies. It is very important. Senate bill 1508 was introduced last fall by Senators Lott, Daschle, and Warner, with a lot of work done prior to that being introduced. A lot of work was done by the Architect, and myself, and the Sergeant at Arms, and all of our staffs. So it would authorize the Architect to construct the Capitol visitor center.

There is a House bill that was introduced last year also. I see the benefits in security—there are great benefits there—but also in terms of the Capitol, the visitors' experience to the Capitol, and how it can be improved to make it a better experience for visitors who come here from within the country, and also our foreign visitors, just to facilitate the flow of people, with places to eat and to change diapers of their children, and the restroom facilities, and all those kind of things.

So I would encourage that the bill be passed. And, in my opinion, it is long overdue.

On the funding of that, presently the Capitol Preservation Commission has \$25.3 million. That was all raised from private funding. It is invested, and it is growing at about \$1 to \$1.2 million a year, depending on the yield they get. That is about one-fifth of the \$125 million, the present estimated cost.

It can be done, in my opinion, and if you look at other projects around the country, it can be done with private funding. But it does need to be authorized and dealt with, from an appropriated funds standpoint, enough to make sure the project is authorized and gets out of the chute, and then all of the other things can then kick into place. And I believe it can be funded by private funding.

There is a bipartisan effort on that within the Senate. And if we can pass it here, I think it would help to bring the House along to do their part, and we could go ahead and get on with that project.

Those are the highlights. I have tried to take out of the full testimony things that I feel relate more to dollars, more to money, and give just a quick, hard assessment of where we are. I will answer any questions about the full testimony or anything else.

PREPARED STATEMENTS AND ADDITIONAL COMMITTEE QUESTIONS

Senator BENNETT. Thank you. I appreciate your testimony. I appreciate your diligence. I think you have covered it very well, unless anyone on your staff has something to add.

[No response.]

Senator BENNETT. Thank you very much.

Mr. SISCO. Thank you, Mr. Chairman.

Senator BENNETT. Thank you very much, Mr. Sisco.

[The information follows:]

PREPARED STATEMENT OF GARY SISCO

BUDGET SUMMARY

OFFICE OF THE SECRETARY OF THE SENATE

	Amount	Percent
Fiscal year 1998:		
Payroll Budget	\$13,431,000	89.9
Operating Expense Budget	1,511,000	10.1
Total	14,942,000	100.0
Suggested fiscal year 1999 budget request:		
Payroll Budget	13,694,000	90.1
Operating Expense Budget	1,511,000	9.9
Total	15,205,000	100.0

APPORTIONMENT SCHEDULE

Item	Amount avail- able fiscal year 1998 (Public Law 105-55)	Budget esti- mate fiscal year 1999	Difference
Historical office:			
Books and documents	\$2,500		— \$2,500
Photographic supplies	7,000		— 7,000
Library:			
Online information services	47,000		— 47,000
Microform publications	35,000		— 35,000
Books	12,000		— 12,000
Subscriptions	20,000		— 20,000
Standing orders	20,000		— 20,000
CD-ROM	4,000		— 4,000
Audio/visual materials	500		— 500
Office of Conservation and Preservation	5,000		— 5,000

APPORTIONMENT SCHEDULE—Continued

Item	Amount avail- able fiscal year 1998 (Public Law 105-55)	Budget esti- mate fiscal year 1999	Difference
Book preservation	5,000	.....	— 5,000
Office of Public Records (Public Law 92-342)	10,000	.....	— 10,000
Travel and registration fees (Public Law 94-59)	60,000	.....	— 60,000
Consultants (not more than two) (Public Law 95-26)	75,000	.....	— 75,000
Legal reference volumes and dictionaries (Senators' offices) (Public Law 92-51)	90,000	.....	— 90,000
Contractual legal and administrative services and miscellane- ous expenses	270,000	.....	— 270,000
Disbursing office: Payroll forms, notary fees, supplies, and in- surance	15,000	.....	— 15,000
Orientation and training (Public Law 95-94)	10,000	.....	— 10,000
Newspapers	25,000	.....	— 25,000
Senate service awards (S. Res. 21, Sept. 10, 1965)	23,000	.....	— 23,000
Postage	1,000	.....	— 1,000
Education of Senate pages (Public Law 98-51 and Public Law 98-125) (S. Res. 184, July 29, 1983)	58,000	.....	— 58,000
Stationery	50,000	.....	— 50,000
Senate Commission on Art (Public Law 100-696, Nov. 18, 1988)	33,000	.....	— 33,000
Representation expenses (Public Law 100-71, July 11, 1987)	50,000	.....	— 50,000
Office of Captioning Services (Public Law 101-163, Nov. 21, 1989)	163,000	.....	— 163,000
Senate Chief Counsel for Employment	420,000	.....	— 420,000
Executive office		\$718,100	+ 718,100
Administrative services		463,800	+ 463,800
Legislative services		329,100	+ 329,100
Totals	1,511,000	1,511,000	.....

LEGISLATIVE DEPARTMENTS

BILL CLERK

The Bill Clerk records official actions of the Senate, keeps an authoritative historical record of Senate business, enters daily legislative activities and votes into the automated legislative status system, and prints all introduced, submitted and reported legislation. In addition, this office assigns numbers to all bills and resolutions.

Legislative Activity

The legislative materials processed by the Bill Clerk during the first sessions of the 105th and 104th Congresses is included in Table 1—Legislative summary.

Relations with GPO

The Government Printing Office has responded in a timely manner to the Bill Clerk's request for the printing of bills and reports, including the printing of priority matters for the floor. The record on specific GPO printings for the first session is summarized below:

—Star Prints: The number of Star Prints (reprints) authorized was 21.

—“Bates List”: Overnight rush printing was ordered on 51 pieces of legislation.

Legislative Information System (LIS)

LEGIS.—The office continued working with the KPMG Program Office reviewing the legislative information that is processed by this office, including the redesign of the status input screens.

Amendment Scanning.—This office began scanning pending proposed amendments less than 10 pages which can be viewed and printed by all Senate staff via the Sen-

ate home page on the World Wide Web. During the Second Session, phase two of the project will include the following improvements:

- The ability to scan all amendments proposed on the Senate floor. This will provide the Senate public with near real-time access to proposed amendments.
- Data entered into LEGIS will automatically be retrieved into the amendment scanning system, so duplicate data entry will be eliminated.

DAILY DIGEST

The Daily Digest section of the Congressional Record provides a concise accounting of all official actions taken by the Senate on a particular day. All Senate hearings and business meetings (including joint meetings and conferences) are scheduled through the Daily Digest, reported on daily, and are published in the Congressional Record.

Chamber Activity

The Senate was in session a total of 153 days, for a total of 1,093 hours and 07 minutes. There were 6 quorum calls and 298 record votes.

Committee Activity

Senate committees held 824 hearings and 247 business meetings (total 1,071), contrasted with 892 hearings and 278 business meetings (total 1,170) during the 1st Session of the 104th Congress.

All hearings and business meetings (including joint meetings and conferences) are scheduled through the Office of the Senate Daily Digest and are published in the Congressional Record and entered in the LEGIS hearings file. Meeting outcomes are also published by the Daily Digest in the Congressional Record each day.

Government Printing Office

Continuing a practice in preceding Congresses, the Daily Digest office discusses with the Government Printing Office problems encountered with the printing of the Daily Digest section. Corrections or transcript errors have become very infrequent.

ENROLLING CLERK

The Enrolling Clerk prepares, proofreads, corrects, and prints all Senate-passed legislation prior to its transmittal to the House of Representatives, the National Archives, the Secretary of State, the United States Claims Court, and the White House.

During 1997, 50 enrolled bills (transmitted to the President) and 13 concurrent resolutions (transmitted to Archives) were prepared, printed, proofread, corrected, and printed on parchment.

A total of 323 additional pieces of legislation in one form or another, was enacted or agreed to by the Senate, requiring processing and printing from this office.

EXECUTIVE CLERK

The Executive Clerk prepares an accurate record of actions taken by the Senate during executive sessions (proceedings on nominations and treaties) which is published as the Executive Journal at the end of each session of Congress. The Executive Clerk also prepares daily the Executive Calendar as well as all nomination and treaty resolutions for transmittal to the President.

Nominations

During the first session of the 105th Congress, there were 825 nomination messages sent to the Senate by the President, transmitting 25,828 nominations to positions requiring Senate confirmation and 13 messages withdrawing nominations previously sent to the Senate during the session. Of the total nominations transmitted, 500 were for civilian positions other than lists in the Foreign Service, Coast Guard and Public Health Service. In addition, there were 3,105 nominees in the "civilian list" categories named above. Military nominations received this session totaled 22,223 (8,141 in the Air Force, 6,246 in the Army, 6,157 in the Navy and 1,679 in the Marine Corps). The Senate confirmed 25,576 nominations this session and 2 nominations were returned to the President pursuant to the provisions of paragraph 6 of Senate Rule XXXI at the sine die adjournment of the 105th Congress.

Treaties

There were 32 treaties transmitted to the Senate by the President during the first session of the 105th Congress for its advice and consent to ratification, which were ordered printed as treaty documents for the use of the Senate (Treaty Doc. 105-1 through 105-32).

The Senate gave its advice and consent to 15 treaties with various conditions, declarations, understandings and provisos to the resolutions of advice and consent to ratification.

Executive Reports and Roll Call Votes

There were 13 executive reports relating to treaties ordered printed for the use of the Senate during the first session of the 105th Congress (Executive Reports 105–1 through 105–13).

The Senate conducted 30 roll call votes in executive session, 22 on or in relation to nominations and seven on amendments to and final passage of the Chemical Weapons Treaty.

JOURNAL CLERK

The Journal Clerk takes notes of the daily legislative proceedings of the Senate in the “Minute Book” and prepares a history of bills and resolutions for the printed Senate Journal that is the legal record of the Senate. The Senate Journal is published each calendar year.

In March of 1997 the Journal unexpectedly lost its Assistant Journal Clerk, Mark Lacovara, along with his 28 years of knowledge and experience, due to ill health and an early retirement. The Journal operated with a two-person staff for the next four months and still has a two-person floor rotation.

Scott Sanborn replaced Mark Lacovara in mid-July and will soon become a part of the floor rotation. This will bring the office to a three-person rotation, enabling the Clerks to spend one hour on the floor and two in the office. The three-person rotation restores early-1997 production capability, and allows work on an extra project taken on in January 1994 (the typesetting and formatting element).

The 1997 volume will go to the Government Printing Office for distribution no later than the end of March of this year. The legislative days are finished in their initial form and the data is entered into our database. This allowed keeping 1998 current. The completion of 1997 will not interfere with progress during 1998.

LEGISLATIVE CLERK

The Legislative Clerk sits at the Secretary's desk in the Senate Chamber and reads aloud bills, amendments, the Senate Journal, Presidential messages, and other such materials when so directed by the Presiding Officer of the Senate. The Legislative Clerk calls the roll of members to establish the presence of a quorum and records all yea and nay votes. This office prepares the Senate Calendar of Business, published each day that the Senate is in session, and prepares additional publications relating to Senate class membership and committee and subcommittee assignments. The Legislative Clerk maintains the official copy of all measures pending before the Senate and incorporates into those measures any amendments that may be agreed to. This office retains custody of official messages received from the House of Representatives and conference reports awaiting action by the Senate. The office is also responsible for verifying the accuracy of the information entered into the LEGIS system by the various offices of the Secretary. In addition, this office is very involved in the Secretary's multi-year, comprehensive program to redesign and rebuild the Senate's system for the collection and management of its legislative information (LIS).

Summary of Activity

The first session of the 105th Congress completed its legislative business and adjourned on November 13, 1997. During 1997, the Senate was in session 153 days, for a total of 1,093 hours, and conducted 298 roll call votes. There were 248 measures reported from committees, 385 total measures passed, and were 111 items remaining on the Calendar at the time of adjournment. In addition, there were 1,639 amendments submitted. These and other statistics important to this office are reflected in Table 1—Legislative summary.

Legislative Information System (LIS)

The LEGIS Re-engineering or LEGIS 2000 Project has now been absorbed into the new LIS initiative and the legislative staff has been involved in the development of the system requirement documents over the past year. When implemented, it will require training and retraining to convert from the current mainframe to a document management system (DMS). Some offices under the Secretary, especially the Journal Clerks and the Enrolling Clerk, should derive much benefit from the ability to capture and manipulate data that is currently inaccessible or very difficult to attain. This new system will allow the legislative staff to provide even more information to Senate offices and the public in a more timely manner.

Amendment Scanning

In 1997, the Secretary's office began scanning amendments, as they are offered, in the Amendment Tracking System.

Committee Scheduling

Efforts have been under way this year to improve access to the Daily Digest's committee scheduling information. During the recess, prior to reconvening, Daily Digest staff and others from the Secretary's offices attended a demonstration arranged by the Sergeant at Arms. Vendor representatives demonstrated a product that could be modified for the Digest.

OFFICE OF OFFICIAL REPORTERS OF DEBATES

The Official Reporters of Debates prepare and edit for publication in the Congressional Record a substantially verbatim report of the proceedings of the Senate, and serve as liaison for all Senate personnel on matters relating to the content of the Record. The transcript of proceedings, submitted statements and legislation are transmitted daily to the Government Printing Office. The Chief Reporter functions as editor in chief and the Coordinator functions as technical production manager of the Senate portion of the Record.

Accomplishments

The Official Reporters continue to use the computer-aided transcription system. During 1997, all verbal proceedings occurring on the floor of the United States Senate were transcribed and transmitted to the GPO via transcript of proceedings (paper) and electronically through the fiber-optic system. As mentioned in previous reports, the workload of this office has not decreased but, by providing GPO electronic as well as paper copy, the overall workload at GPO is reduced and, thus, the overall cost of production of the Record should be reduced.

In addition to submitting all verbal proceedings to GPO via electronic means, we are continuing to encourage all Senate offices to provide, in addition to paper copy, either by e-mail or disk, an electronic version of all submitted statements. Currently, approximately 60 to 80 percent of written statements are submitted electronically. Although the submissions are not at the optimal 90 to 100 percent range, more Senate offices are cooperating as we continue an ongoing effort to communicate our needs and educate staff on the process and methods for e-mailing electronic statements.

Personnel Changes

In September of 1997, we lost the services of Coordinator of the Record Scott Sanborn, who was selected to become a member of the Office of the Journal Clerk. Scott was a valuable asset to this office and our loss is definitely the Journal Clerks' gain. However, Eileen Milton, one of our transcribers and an equally able member of our staff, was appointed to replace Scott as Coordinator of the Record.

Eileen is a quick study and is performing her tasks exceptionally well. Eileen Milton's elevation to Coordinator of the Record left a vacancy in the transcribers' section of this office. In addition, transcriber Don Corrigan announced that he would be retiring at the end of February, 1998. This will translate to the loss of two of the three transcribers, with Eileen Connor, the Supervisory Transcriber, the remaining transcriber to instruct and guide new transcribers.

Morning Business

The Morning Business Unit has dealt effectively with a marked increase of items being processed through their office. The number of communications has surged exponentially since the passage of Public Law 104-121 (the Contract with America Advancement Act of 1996), and the office processed approximately 800 executive communication items during the recess period alone. In addition, President's Messages are expected to grow in volume due to the passage of Public Law 104-130 (the line-item veto law), which requires the President to inform the Senate each time he strikes items from legislation. Recent court decisions concerning the line item veto may affect the workload.

Goals

The goals for the coming year include continuing to transmit electronic files to GPO of all verbal proceedings on the floor of the Senate, increasing the volume of submitted (not spoken on the floor) statements by informing and educating staff of the e-mail process and the proper format for submitting statements, training replacement transcribers in the process of rapidly and accurately producing the Record, as well as learning other tasks performed by the Coordinator, and looking

into the possibility of creating a Web page to inform staff of Record format, our e-mail address, and procedures involved in submitting statements for inclusion in the Record.

Cost Savings

Amendments.—The text of all amendments are printed under the “Amendments Submitted” portion of the Record. During 1997, we continued the practice of not printing amendments over 10 pages in length in the body of the proceedings of the Senate but only in the “Amendments Submitted” portion. When an amendment over 10 pages is proposed on the floor, it is referenced to the “Amendments Submitted” portion, saving the costs of duplicate printing. Two-thousand and twenty-nine (2,029) pages of duplicate amendments were not printed, equating to a cost savings of approximately \$123,580. The cost of a Record page, as estimated by the GPO, is approximately \$466 per page for the first two pages and \$270 per page for each additional page.

Application of provision of paragraph 13 of Laws and Rules for Publication of the Record.—The effort has continued to enforce the provisions of this paragraph of the Rules, the so-called two-page rule, which says, in effect, no extraneous matter in excess of two Record pages shall be printed in the Record without the cost of printing of the material being announced on the Record at the time of submission. Submission of material exceeding the two-page rule has declined since the education process has started. When Senators are informed of the cost involved, their staff will either withdraw the material or substantially reduce the size to conform to the two-page rule.

PARLIAMENTARIAN

The Parliamentarian advises the Chair, Senators and their staff, committee staff, House members and their staffs, and administration officials on all matters requiring an interpretation of the Standing Rules of the Senate, the precedents of the Senate, and provisions of public law affecting the proceedings of the Senate.

During the last year the Parliamentarian's Office continued to perform its normal legislative duties. These include advising the Chair, Senators and their staff as well as committee staff, House members and their staffs, administration officials, the media and members of the general public on all matters requiring interpretation of the Standing Rules of the Senate, the precedents of the Senate, unanimous consent agreements, and provisions of public law affecting the proceedings of the Senate. The Office of the Parliamentarian is responsible for the referral of all legislation introduced in the Senate, all legislation received from the House, and all communications received from the executive branch. The office worked extensively with Senators and their staffs to advise them of the jurisdictional consequences of particular drafts of legislation, and evaluated the jurisdictional effect of proposed modifications in drafting.

The office continues to analyze and advise Senators on a great number of issues arising under the Congressional Budget Act of 1974, requiring meetings with competing groups of staff. At every stage of the budget cycle, this office was called upon to arbitrate large numbers of budget-related questions. The Parliamentarian's Office was constantly asked to answer questions during consideration on the Senate floor of the budget resolution and the reconciliation bill it produced. 1997 has seen the continued development of Kevin Kayes as the First Assistant Parliamentarian into an equal partner in the triumvirate of Parliamentarians.

As always, Sally Goffinet, the Parliamentary Assistant, continues to provide invaluable service in all administrative and clerical matters. She also performs with a high degree of professional competency the substantive work of referring to committee most executive communications received by the Senate, and answering a significant number of questions about procedure. These responsibilities often entail legislative or legal research.

PRINTING AND DOCUMENT SERVICES

Printing and Document Services documents Senate printing expenses and functions as GPO liaison to schedule and/or distribute Senate bills and reports to the Chamber, Senate staff, and the public, provides page counts of Senate hearings to commercial reporting companies, orders and tracks all paper and envelopes provided to Senate offices, provides general printing services for Senate offices, and assures that Senate printing is in compliance with Title 44, U.S. Code, as it relates to Senate documents, hearings, committee prints, and other official publications.

Background

Printing and Document Services has the responsibility for coordinating the printing and/or distribution of most of the Senate's official Title 44 (U.S.C.) printing. The coordination of all Senate documents, hearings, committee prints, and miscellaneous publications between the Senate and GPO is our responsibility, as is the distribution of Senate and House legislation. Virtually all blank paper, letterhead, and envelopes throughout the Senate are ordered through this office. Additionally, commercial reporting companies are remunerated for transcribing all Senate hearings through our billing verification service.

Efforts are underway to consolidate, restructure, and cross-train personnel. During this past year, two positions have been eliminated through attrition, thereby saving approximately \$40,000 per year.

Total Publications

During the first session of the 105th Congress, 369 publications (hearings, committee prints, Senate documents, Senate publications) were printed. This compares with 354 publications printed during the first session of the 104th Congress, or an increase of about 4 percent.

Hearings Transcripts and Billing Verifications

Billing verifications are the vehicle by which reporting companies request payment from a committee for their transcription services. During 1997, we provided commercial reporting companies and the corresponding Senate committees a total of 1,105 billing verifications of Senate hearings and business meetings (including hearings which were canceled or postponed, but still requiring payment to the reporting company). This averages 53 hearings or meetings per committee. Compared with 782 billing verifications in 1996, there was an increase of about 41 percent in the number of hearings processed.

Commercial reporting companies charged the Senate approximately \$585,956 to prepare 89,020 transcript pages of the spoken portions of Senate hearings (compared to 1996 figures of \$440,875 to prepare 66,188 transcribed pages) for an average annual cost of about \$29,903 per committee, and an average of 4,239 spoken transcript pages per committee during 1997. In 1996, the average annual cost per committee was \$16,957, and an average of 2,545 spoken transcript pages.

	1996	1997	Increase/decrease (percent)
Billing Verifications	782	1,105	+ 41
Transcribed Pages	66,188	89,020	+ 34
Average Pages/Committee	2,545	4,239	+ 67
Transcribed Pages Cost	\$440,875	\$585,956	+ 33
Average Cost/Committee	\$16,957	\$29,903	+ 76

Requisitions

Printing and Document Services prepared 5,916 printing requisitions during fiscal year 1997, authorizing GPO to print the Senate's work, exclusive of legislation and the Record. This is an increase of about 14 percent over fiscal year 1996.

Paper, Letterhead and Envelopes

Printing and Document Services provides and maintains an accounting of blank paper, letterheads, and envelopes for all Senate offices. The total blank sheets and letterheads ordered in 1997 were about 102.5 million sheets, an increase of 30 million sheets compared to 1996. In 1997, the Senate used about 7.9 million envelopes, compared to 7.6 million in 1996.

Mini Document Room

Printing and Document Services serves the combined leadership by coordinating the distribution of all Senate-introduced and Calendar bills, reports, resolutions, and conference reports, including all legislation which has passed the House. Distribution is made to the Chamber, the Secretary's Office and leadership offices. Data entry into the legislative database and DocuTech databases is the responsibility of this section.

Cost Accounting Projects and Duties

In addition to the ability to advise offices about turnaround and the method of reproduction, while assuring compliance with Title 44 U.S.C., this office provides ac-

counting information needed by offices. Ultimately, this data enables the Secretary to provide oversight information to the Rules Committee and the Joint Committee on Printing.

The Service Center

In September 1995, at the direction of the Rules Committee and the Joint Committee on Printing, the Secretary's Office undertook responsibility for management of the GPO/JCP Service Center. The Service Center (now located in SH-B07) is staffed by experienced GPO printing specialists who provide Senate committees and the Secretary's Office with complete publishing services for hearings, committee prints, and preparation of the Congressional Record. Services include keyboarding, proofreading, scanning and composition.

As a result of these services, committees have been able to decrease or eliminate overtime costs associated with the preparation of hearings, and can now publish in a more timely manner. Committees may also realize additional savings because the work done in the Service Center is chargeable to the committee as performed (as opposed to having a full-time staff member or detailee assigned to printing functions). Finally, by providing the ability to process what would otherwise be backlogged work, use of the Service Center may preclude the need to assign additional staff or GPO detailees to publishing duties.

During 1997, the Service Center assisted 19 committees with the preparation of 263 hearings, committee prints, and Senate documents, including the Tributes to Senator Thurmond and the Tributes to Senator Tsongas. This represents three-quarters of all Senate committees which have printing responsibilities. From another perspective, the Service Center has assisted with 71 percent of the publications printed in 1997.

Congressional Record

In 1997, 13,089 pages were printed for the Senate and 14,203 pages were printed for the House (including Digest, Extension of Remarks, Proceedings, and Miscellaneous pages) for a total of 27,292 pages. This is a total of 867 fewer pages than in 1996. There were a total of 1.4 million copies printed and distributed in 1997, including 462,060 to the Senate, 319,115 to the House, and 662,825 to Executive Branch agencies and the public.

The total approximate cost to produce the Record was \$12.8 million. Based upon the percent of content and distribution quantities, the proportional Senate cost was \$5.9 million, the House was \$6.4 million, and all other recipients \$532,000. Per copy cost was about \$8.86 (Record costs are based upon GPO estimated appropriation costs, not including costs to produce the Record Index or microfiche copies).

During 1996, GPO developed separate costs for Record pages which were telecommunicated to GPO and for those pages keyboarded at GPO. The cost of telecommunicated pages is \$408. Keyboarded pages are \$448. These costs apply to all categories of pages (Proceedings, Digest, etc.) for the House and Senate portions of the Record. The number of telecommunicated pages is currently available to us, and we are working with the Joint Committee on Printing to also obtain keyboarded page information. Once available, the combined figures will enable the Senate, House, and GPO to pinpoint Record expenses and areas in need of further automation and expense reduction.

Legislation

The office captures data regarding all printed versions of all measures considered in the Senate. Beginning this Congress, all versions and distribution of House measures are included. For the sake of brevity, the following information is summarized by major category of legislation, such as Senate bills. Each category includes the successive versions in which all measures were printed during their legislative cycle (such as a Senate bill which is introduced, reported, and printed as passed), including star prints. Information relating to specific versions of all legislation is available, as is the additional number of copies ordered printed for the Document Room (see Docutech Project) and committees.

The following table is for the first session of the 105th Congress. The "Number of Pages" column refers to the number of original pages, including blanks, within the categories listed. The total number of printed pages is not shown, but is available. Costs are rounded to the nearest hundred, and are based upon estimated GPO appropriation rates.

Measure	Count	Number of Pages	Senate Cost	Total Cost
Senate Bills	1,796	35,986	\$2,300,000	\$3,400,000
Senate Reports	163	8,541	632,000	875,000
Senate Resolutions	210	806	61,500	84,400
S.J. Res	45	185	12,800	19,400
S. Con. Res	98	535	37,700	54,200
House Bills	3,578	56,072	1,500,000	5,300,000
H. J. Res	137	602	15,400	60,000
H. Con. Res	247	1,095	24,600	111,700
H. Conf. Rept	20	4,572	418,600	473,800
Treaties/Exec	49	2,635	229,400	234,400
Public Laws	72	1,461	208,400	235,700
Totals	6,415	112,490	5,400,000	10,800,000

Document Services

The Document Services section coordinates requests for printed legislation and miscellaneous publications with other departments within the Secretary's Office, Senate committees, and the Government Printing Office, to ensure that the most current version of all material is available, and that sufficient quantities are in storage to meet projected demand.

The primary responsibility of this section is to provide services to the Senate. However, the section also serves the general public, the press, and government agencies. Requests for material are received at the walk-in counter, through the mail, by fax, and via recorded messages. Recorded and fax messages operate twenty-four hours a day, and are filled the same day they are received, as are mail requests.

Summary of Annual Statistics

The following chart is a summary of activities and trends in Document Services from 1987 through 1997.

Calendar year/Congress/session	Calls received (inquiries)	Public mail/fax requests	Staff phone/fax requests	Fax request breakdown
1988: 100th/2nd	107,871	20,579	79,163	NA
1989: 101st/1st	114,580	24,415	85,488	NA
1990: 101st/2nd	154,497	23,322	96,330	NA
1991: 102nd/1st	158,714	29,301	94,503	NA
1992: 102nd/2nd	144,478	21,634	64,543	NA
1993: 103rd/1st	135,035	23,679	64,752	NA
1994: 103rd/2nd	128,463	20,460	54,919	4,934
1995: 104th/1st	134,062	22,704	45,466	10,182
1996: 104th/2nd	110,742	15,140	35,479	8,043
1997: 105th/1st	60,296	12,739	23,672	7,261

It is noted that the decreases for 1997 result from the availability of legislation on the Internet.

Docutech Project

The following tables summarize quantities and costs associated with on-demand (supplemental) printing of bills and reports during the second session of the 104th Congress, and the first session of the 105th Congress. The first table compares work printed at the request of Document Services during the last two years. The second and third tables indicate work printed for other government agencies by GPO in order to more fully employ the machine. Costs are based upon a charge of two cents per page.

TABLE 1.—LEGISLATIVE SUMMARY

	105th Congress, First Session	104th Congress, First Session
Days in Session	153	211
Hours in Session	1,093	1,839
Measures Passed	385	346
Measures Reported	248	249
Roll Call Votes	298	613
Quorum Calls	6	3
Senate Bills Introduced	1,568	1,514
Senate Joint Resolutions	39	45
Senate Concurrent Resolutions	70	37
Senate Resolutions	163	206
Amendments Submitted	1,639	3,113
House Bills	224	204
House Joint Resolutions	19	16
House Concurrent Resolutions	44	26
Written Reports	158	200

DOCUTECH DATA

	Count	Run Length	Original Pages	Printed Pages	Cost Each	Total Cost
1996:						
Totals	762	43,710	43,478	3,200,000	\$1.46	\$63,727
Daily Averages	4.6	342	225.4	12,784	NA	\$255.86
1997:						
Totals	946	31,593	45,832	2,100,000	1.33	41,995
Daily Averages	4.4	146	212.2	9,712	NA	194.43

AGENCIES PRINTING

	Count	Run Length	Original Pages	Printed Pages	Cost Each	Total Cost
1997:						
Totals	277	234,764	32,349	3,300,000	\$0.28	\$65,379
Daily Averages	2.1	1,792	246.9	24,950	NA	499.08
1996:						
Totals	284	302,625	84,852	5,100,000	.34	101,834
Daily Averages	1.8	1,80	527	31,622	NA	632.51

COMMITTEE HEARINGS AND BUSINESS MEETINGS

	1997—105th Congress, first session			1995—104th Congress, first session		
	Hearings	Business Meetings	Totals	Hearings	Business Meetings	Totals
January	22	24	46	58	31	89
February	57	11	68	82	16	98
March	127	18	145	167	26	193
April	123	8	131	60	10	70
May	99	15	114	137	22	159
June	65	49	114	85	25	110
July	100	48	148	79	20	99
August	2	.....	2	42	15	57

COMMITTEE HEARINGS AND BUSINESS MEETINGS—Continued

	1997—105th Congress, first session			1995—104th Congress, first session		
	Hearings	Business Meetings	Totals	Hearings	Business Meetings	Totals
September	90	31	121	57	48	105
October	110	25	135	40	24	64
November	29	18	47	43	22	65
December				42	19	61
Totals	824	247	1,071	892	278	1,170

OFFICE OF CAPTIONING SERVICES

The Office of Captioning Services provides real-time captioning of Senate floor proceedings for deaf and hard-of-hearing persons. The office also provides the unofficial transcripts of Senate floor proceedings to offices via the Senate Intranet.

Overview of Activity

Requests from Senate offices to provide additional services increased during 1997. We did not provide any additional services when compared to 1996.

We continue to depend on the Senate Library and increasingly on the Internet to verify information. We added to our reference collection and updated some existing reference materials in 1997.

Caption quality continues to be our number one priority. We conduct peer reviews on a weekly basis. The office average for accuracy was up slightly for 1997.

Technology Update

The Senate Recording Studio continues to refine a system that captures Office of Captioning Services captions and marks them with day/date/time and speaker information prior to storage in a database. This database can be searched by Senators and staff using key words. Once the text is located, a Senator's speech can be listened to on computers configured to handle audio events from a web page. Other enhancements to this service are anticipated during 1998.

Captioning Services' role in this project has been to identify phrases that trigger key events in the marking of the captions and reviewing the text for indexing errors.

The technology used for real-time captioning is not Windows™ compatible and needs to be updated or replaced. In addition, our current software is believed to not be year 2000 compliant.

ADMINISTRATIVE OFFICES

DISBURSING OFFICE

Front Counter—Administrative and Financial Services

The Front Counter is the main service area of all general Senate business and financial activity. It is the receiving point for most incoming expense vouchers, payroll actions, and employee benefits-related forms, and is the initial verification point to insure that paperwork received in the Disbursing Office conforms to all applicable Senate rules, regulations, and statutes. The Front Counter is the first line of service provided to Senate Members, officers, and employees. All new Senate employees (permanent and temporary) who will be working in the Capitol Hill Senate offices are administered the required oath of office and personnel affidavit and provided with verbal and written information regarding their pay and benefits. Authorization is certified to new employees for issuance of their Senate identification card. Cash advances are issued to Senate staff authorized for official Senate travel and travelers' checks are available for sale to assist the traveler. Numerous inquiries are handled daily, on subjects ranging from pay, benefits, taxes, Senate laws and regulations, in our commitment to provide the highest degree of customer service. Senate entities, in the course of their official duties, receive cash and checks as part of their daily business. The Front Counter maintains the Senate's internal accountability of funds used in daily operations. Reconciliation of such funds is executed on a daily basis. These funds are submitted through the front counter and become part of the Senate's accountability of federally appropriated funds and are then processed through the Senate's general ledger system.

Activities

The Front Counter administered oath and personnel affidavits to more than 3,200 new Senate staff, maintained brochures for 26 federal health insurance carriers and distributed approximately 3,000 brochures to staff during the annual FEHB open season, issued approximately 1,500 cash advances for official Senate travel and received more than 20,000 checks from Senate entities.

Payroll Section

The Payroll Section maintains the Human Resources Management System and is responsible for: processing, verifying and warehousing all payroll information submitted to the Disbursing Office by Senators for their personal staff, by Chairmen for their committee staff, and by other elected officials for their staff, issuing salary payments to the above employees, maintaining the Automated Clearing House (ACH) FEDLINE facilities for the normal transmittal of payroll deposits to the Federal Reserve, distributing the appropriate payroll expenditure and allowance reports to the individual offices, issuing the proper withholding and agency contributions reports to the Accounting Section and transmitting the proper Thrift Savings Plan (TSP) information to the National Finance Center (NFC) while maintaining earnings records for distribution to the Social Security Administration, and maintaining employees' taxable earnings records for their W-2 statements, which are also prepared by this section. The Payroll Section is also responsible for the payroll portion of the Report of the Secretary of the Senate.

Activities

January 1997 started with the processing of more than 2,200 open season changes. The Payroll Section processed all the forms in conjunction with the open seasons for Federal Employees' Health Benefits (FEHB), Combined Federal Campaign (CFC), and the Thrift Savings Program (TSP). The year's second TSP open season produced an additional 1,200 forms for processing during July and August 1997. During January 1997, 4,500 salary increases in conjunction with the 2.3 percent cost of living increase were also processed.

The U.S. Senate started participating in the National Directory of New Hires for the Federal Parent Locator Service, a project sponsored by the U.S. Department of Health and Human Services.

Planning for the transfer of the U.S. Capitol Police payrolls from the U.S. Senate Human Resources Management system to the National Finance Center began in September.

The Payroll Supervisor attended the Southern Users' Integral Conference that was held in New Orleans, Louisiana. The basic function of the Users Conference was to prepare Integral users for the final move to year 2000 technology. Although this was a regional conference, 18 states and the District of Columbia attended.

Upgrade For Year 2000 Compliance

One effective method of handling year 2000 compliance would be to upgrade to Integral version 9.5.3. The length of the segments has doubled in size. This means an increase in processing speed and an increase in data being held within each segment. The programmers will have a definite game plan to follow. Version 9.5.2 has been Beta tested by a medical research center in Baton Rouge, Louisiana. When Version 9.5.3 comes up, most of the problems found from the first two updates of 9.5 and the Beta testing will have been resolved. Our programmers will have the opportunity to review the problems of the Beta tests and the solutions used to correct the problems.

Future Activities

Payroll will continue with the upgrade to the 9.5 and year 2000 compliance. Payroll will also continue to work with the group of consultants to verify that we are continuing to move in the right direction for a Human Resources Management system. Once Payroll is year 2000 compliant and the FMIS is operational and can be upgraded to include the entire allowance system, then Payroll will be in the position to move to client server system and a biweekly payroll if applicable.

Employee Benefits Section

The Employee Benefits Section's (EBS) primary responsibilities are administration of Senate employees' health and life insurance and retirement programs. The section's work includes research and verification of prior Senate or other federal service for new appointees. EBS prepares these forms for payroll input after they are returned and verifies the accuracy of the information when the Official Personnel Folder is received. Employment verifications for loans, the Bar, the Federal Bureau of Investigation, the Department of Defense, and for outside insurance are

completed in EBS. Unemployment claim forms are completed, and employees are counseled. Department of Labor billing for unemployment paid to Senate employees are checked in EBS and submitted by voucher to the Accounting Section to be paid. Designations of beneficiaries for FEGLI, CSRS, FERS, and for unpaid compensation are filed and checked by EBS.

Activities

The annual Federal Employees' Health Benefits (FEHB) Open Season resulted in more than 600 employees changing plans.

The FEHB Open Season Health Fair was attended by approximately 900 employees. Because the office has received so many requests for this information, the Fair was open to all employees on the Hill, including House and Architect employees.

During the two Thrift Savings Plan (TSP) Open Seasons, the employee changes remained about the same as normal, one change for every seven employees.

Mortgage rates, still dropping, kept employment verifications coming in at a rapid pace, averaging 140 per month.

Unemployment verifications, termination packages, transcripts of service for employees going to other federal agencies, and other tasks associated with employees changing jobs were all heavy this year, as approximately 700 staffers terminated as of January 2, 1997. Another 700 entered on duty on the new staffs, and this required prior employment research and verification, new health and life insurance, retirement, and TSP enrollments, and the associated requests for verification. In addition, 34 offices requested a Senate transcript of service for all of their active employees, resulting in approximately 1,500 transcripts.

Seminars were held for outgoing and incoming Members' staffs, as well as committees facing reorganization. Information about retirement, health and life insurance, unemployment, and Ramspeck privileges was available at the seminars.

Requests for counseling, retirement planning and processing were very heavy in 1997. Since most of the Members leaving were long term Members who were retiring, our retirement caseload set a new record, with the caseload for January (30 FERS and 50 CSRS) totaling over half of a normal year's load. Total retirement cases processed equaled 213 (78 FERS and 135 CSRS), a 63 percent increase over the previous year and a new record.

The annual Integral Conference was held in San Francisco, California in August. We used the Conference to review the 9.5 upgrade for our Human Resources Management System, and to begin planning and strategies to implement it. This related to the recently completed Booz-Allen and Hamilton, Inc. (BAH) review of the Senate's Human Resources (HR) needs and the combined BAH and KPMG reviews of future directions for our payroll system, as well as system requirements reviews.

The 9.3 release of the Integral Human Resources Management System was finished, which achieved some of the year 2000 compliance requirements, and upgraded many aspects of the payroll system processing. The next step, moving to the full Year 2000 compliant version (9.5) was delayed. During this time, BAH consultants reviewed the Senate's Year 2000 plans, which was expanded to include a review of the HR needs. The Benefits Section worked with BAH to ensure that the full implications of the requested changes were included and that the full capacity of the current system was appreciated. It was finally agreed that the best approach was to continue with the work on the year 2000 update, which is well on its way.

Next, KPMG was assigned the task of reviewing what system changes could be added to the 9.5 upgrade without risking the deadline. A payroll cycle change was reviewed, and the final decision was that time and current resources could not adequately ensure the deadline would be met if the changes were implemented in conjunction with the year 2000 update. The section has worked as closely as possible with KPMG to review the changes required to meet these requirements, and work will progress in 1998. It is anticipated that after the year 2000 update is completed (by October 1, 1999), work on a new version of the payroll system will begin. A study is under way to decide whether to keep the system on a mainframe computer or switch to a client/server environment. In either case, a distributed HR system will be implemented and a pay cycle change to biweekly can move forward.

With the U.S. Capitol Police transferring from the Senate to the NFC payroll system on March 1, 1998, this section has participated in the planning of the transfer. All aspects of the movement of about 650 staff off the Senate payroll have been addressed, including all payroll and benefits records and computer data. One major part of the project completed in 1997 was the generation and correction of retirement records for each of the 650 police personnel. Records required correction due to the many changes in computer systems and tracking over the years.

Future Activities

In light of the new Retirement Open Season, which is scheduled for July through December 1998, the Benefits Section has been evaluating computer modeling programs to help with the anticipated load of 1,000 employees and Members seeking information to decide whether to remain in the old Civil Service Retirement System or to switch to the Federal Employees Retirement System. The section will prepare and give seminars, set up and staff a PC room so employees can use the computer models, and counsel these employees and Members to ensure that they have all the pertinent information required to make an informed choice.

The TSP is scheduled to add two new investment funds in October 1998. The Benefits Section will work with the Computer Center to alter current HRMS screens and ensure that withholdings and electronic tapes are correct, as well as hold seminars and distribute printed information to all employees and Members to inform them of the new investment opportunities.

Audit Section

The Audit Section is responsible for auditing vouchers and answering questions regarding voucher preparation, identifying duplicate payments vouchered by offices, monitoring payments related to contracts, training new office managers and chief clerks about Senate financial practices, training office managers in the use of the Senate Office Accounting System (SOAS), and producing the Report of the Secretary of the Senate. The Section also maintains the Senate's central vendor file (Member, Office Direct Access or MODA) and monitors the Fund Advance Tracking System (FATS) by ensuring that advances are charged correctly, vouchers repaying such advances are entered, and balances adjusted for reuse of the advance funds. An "aging" process is also done to ensure that the advance is repaid in the time specified by the advance regulations.

Activities

This section performed training sessions for individual offices: 37 new office managers/chief clerks and 31 new SOAS users.

The section assisted the audit staff of the Committee on Rules and Administration with the drafting of the regulations for advance payments for the Senate as authorized by the Legislative Branch Appropriations Bill for fiscal year 1998.

The section participated with the team chosen to evaluate the Senate's business practices with an eye toward the Senate moving toward ever more efficient business practices. This involved many meetings with the Sergeant at Arms, Committee on Rules and Administration, and the consultants from Booz-Allen. Decisions made by these groups then had to be discussed with the Senate user community for their input.

With the addition of two staff to the Audit Section, restoring the staffing to normal levels, the time needed for the payment of expense claims was significantly reduced.

A system was established through using cc:Mail and voice mail for the research of vouchers. Office managers and chief clerks were provided a cc:Mail address and a phone number to use to make inquiries concerning payment status for an expense. This procedure allows designated staff, to monitor the inquiry line rather than having multiple staff being interrupted as each call was received. This change has increased efficiency in the overall operations of the section.

Another new procedure was established to send messages regarding voucher corrections via cc:Mail to Senate offices. Beginning in May, the Audit Section designed a standard cc:Mail message with check boxes and fill-in-the-blank areas to inform Senate offices when corrections were needed on expense vouchers. The message provided information on the corrections made and on problems with the vouchers that required action by the office managers. This procedure reduced the amount of time spent in trying to contact Senate offices and waiting for a response, thereby enabling expense vouchers to be processed more expeditiously. The number of outgoing messages regarding voucher corrections, from May through December, 1997, was 5,565.

The Audit Section passed a milestone during the April-May time period when 19,000 vouchers were processed, with 11,500 being processed in May alone. The 11,500 represents the highest number of vouchers processed since records have been kept. The section received 89,685 vouchers for calendar year 1997, which represents an 8.3 percent increase over figures for the prior year. The totals by office are as follows: Senators—57,090 (63.5 percent); Sergeant at Arms—14,171 (15.8 percent); Stationery Room and Gift Shop—8,816 (9.8 percent); all others 9,608 (10.7 percent). The following figures were also obtained for the period of January-December:

Average number of vouchers received in a week 1,736

Lowest number of vouchers received in a week	959
Highest number of vouchers received in a week	2,542
Average number of vouchers received in a day	361
Lowest number of vouchers received in a day	97
Highest number of vouchers received in a day	789

Automation Report

Nearly all Senate offices are now utilizing the SOAS application for electronic voucher generation, record keeping, and budgeting for the Senators' official personnel and office expense account.

The section made changes to the database system for the generation of the Report of the Secretary of the Senate to accommodate the changes in the Fiscal Year 1998 Legislative Branch Appropriations Act that now calls for the expenses of franked mail to be debited against Member and committee funds, not to the official mail account.

Accounting Section

The Accounting Section compiles the annual operating budget of the Senate for presentation to the Committee on Appropriations and ensures adherence to appropriation limitations established by the Legislative Branch Appropriations Act, and Title 2 of the U.S. Code. The Accounting Section accomplishes its control of appropriation limitations through the maintenance of the general ledger of the Senate.

Activities

During fiscal year 1997, the Accounting Section processed 90,442 expense reimbursement vouchers for payment on 61,152 United States Treasury checks issued. The section also processed 1,548 deposits for items ranging from receipts received by the Senate operations to canceled subscription refunds from Member offices. General ledger maintenance also prompted the entry of 8,072 adjustment entries that include all appropriation and allowance funding limitation transactions, all accounting cycle closing entries, and all non-voucher reimbursement transactions such as payroll adjustments, stop payment requests, travel advances and repayments, and limited payability reimbursements.

Working closely with the Audit Section and with the support of the Secretary of the Senate, the Accounting Section has worked diligently over the past year to improve service to our customer base: Member offices, committees, leadership and support offices. Staff attrition in recent years had impacted the timeliness of voucher payments to staff and vendors. With the support of the Secretary of the Senate, additional resources have been acquired and processing time has been improved by nearly ten business days. Workflow reorganization planned for this year should maximize our existing resources and this should reflect in customer service. A voucher payment status line has been implemented in the past year to assist office managers manage their vendor and staff reimbursement requests. The payment status line is a voice mail system that office managers can call to check the status of payments, which helps the Accounting and Audit Sections manage the flow of calls and assign specific staff to monitor the line.

Financial Systems

Currently, more than 9,000 active ledger accounts are tracked daily through the Disbursing Office Voucher Entry System (DOVES). All voucher reimbursement payments, checks written, deposits and adjustment entries are processed using this system. The DOVES system was designed in the late 1980's to be a short term (2-3 years) general ledger system for the Senate. The system has been modified substantially throughout the years and is functional, but is quickly outliving its usefulness. Routine system maintenance and modification are performed in conjunction with staff of the Senate Computer Center and require significant Accounting Section resources. The system currently resides on an outdated 3Com local area network. The 3Com servers used in this LAN are no longer manufactured, necessitating a transfer to a new operating environment.

Future Financial Systems

While routine maintenance and enhancements to the DOVES system continue, the primary focus is to prepare for the replacement of the Senate general ledger system. The Senate currently operates on a cash basis accounting system. With the implementation of the new general ledger system there will be a conversion to an accrual and obligation basis accounting system. Consequently, current staff must be trained in use of this system, and new staff must have experience with this system. The Accounting Section worked closely with Management Concepts, Incorporated to develop a specialized, week-long course on the government standard general ledger

and standard government financial reporting. The course included staff from the Accounting, Audit, Payroll and Administrative and Financial Services Sections. This is the first step in what will become ongoing human resources development and training of existing and new financial management staff.

Planning for the conversion to the KPMG Federal FAMIS 4.0 general ledger product will continue to be the top priority for the Accounting Section management and staff in the coming fiscal year. Conversion, which is projected to occur during fiscal year 1999, requires extensive planning and coordination between the FMIS project office, the Senate Sergeant at Arms staff and the Accounting Section. As part of the conversion, the Senate's data classification structure will be significantly altered to enable the creation of standard financial reports and enhanced expense category tracking using the Office of Management and Budget's object classification code structure. The new general ledger system will also enable the Senate to begin making vendor and staff reimbursement payments electronically, which should greatly enhance customer service. The Accounting Section looks forward to the implementation of the new general ledger system and planning all aspects of FMIS and continuing to improve our service capabilities to best meet the financial management needs of the Senate.

Financial Management System Development Section

The Financial Management System Development project team focused on five activities this year: Continued support of the Senate Office Accounting System (SOAS); deployment of the Senate Time and Attendance Reporting System (STAR); development and implementation of new procedures; development of new processes and requirements for FMIS; and support of the Disbursing Office LAN.

Activities—Senate Office Accounting System (SOAS)

SOAS, a Paradox-for-DOS-based standalone system, is used by 106 Senate offices to prepare vouchers and track office accounts. In January 1997, it was installed in the offices of the 15 newly elected Senators. In the fall, SOAS access to fiscal year 1998 was installed in all offices. For the Secretary, SOAS version 4.0 was installed in the Historical Office, the Chief Counsel for Employment and the Office of Public Records.

Senate Time and Attendance Reporting System (STAR)

STAR, a Paradox-for-DOS-based standalone system, is installed in 91 Senate offices to track time and attendance records, and to produce overtime reports submitted to the Disbursing Office to authorize payment for overtime. A number of enhancements suggested by offices were implemented this year, assisted by a programmer from the Senate Computer Center who supports the leave tracking function of the system. Training sessions for all offices where STAR is used were offered.

Development and Implementation of New Procedures

The Disbursing Office implemented three new procedures that have been very popular with offices this year. The project team wrote procedures and provided the technology to make these "quick hits" possible. These were:

- Sending messages regarding voucher corrections via cc:Mail. In May, we designed a standard cc:Mail message with check boxes and fill-in-the-blank areas that the Audit Section uses to inform offices of corrections on vouchers. The message provides information on corrections made and on problems for which the office must respond. This replaced the previous system of "telephone tag" and is very popular among the office managers because they can deal with voucher problems at their convenience.
- Sending voucher payment data electronically to office managers for use in reconciling SOAS records to DOVES records. This saves office managers a significant amount of time because payment data used in their monthly reconciliation process is posted automatically and therefore, there is no need to re-key the Disbursing Office payment data.
- Creating two avenues for offices to inquire about voucher status: cc:Mail and Voice Mail. The Audit and Accounting Sections share responsibility for responding to these inquiries in a timely manner. This system is popular with office managers because they can make inquiries outside of the normal Disbursing Office hours.

Development of New Processes and Requirements for FMIS

During the summer and early fall we worked with Booz-Allen and Hamilton (BAH) to plan and conduct a series of Business Process Re-engineering sessions attended by staff from the Disbursing Office, Sergeant at Arms (Finance, Purchasing, and Operations), and the Rules Committee. These daily meetings, during most of

September and October, resulted in a series of process flows diagrams showing the steps between purchasing, receiving of goods and services, invoice receipt, voucher preparation, auditing, sanctioning by the Rules Committee, and payment. The office supervised the production of minutes and process flow diagrams from these meetings, which were distributed to the participants on paper and through a FMIS home page on Webster. The process flow diagrams were presented to the FMIS user group, a small group of office managers and chief clerks who met with staff weekly during October and November. The processes and discussion at both sets of meetings are forming the basis of a new set of FMIS system requirements.

OFFICE OF HUMAN RESOURCES

The Office of Human Resources implements and coordinates human resources policies, procedures, and programs for the Office of the Secretary of the Senate including hiring, training, performance management, job analysis, compensation planning, design, and administration, leave administration, records management, job advertisements and postings, employee handbooks and manuals, employee relations, and organizational planning and development.

Merit Review Program

The Office of the Secretary designed and implemented a new pay delivery system in 1997, a merit review (or performance-based) program. As the name implies, this is an incentive compensation system designed to motivate employees to perform well and to reward them in relation to their performance. The Office's merit review program will now be conducted annually in the last quarter of each fiscal year. While some organizations choose to review performance on the anniversary of each employee's employment, we have decided to review all employees at the same time every year to improve the budget planning and utilization processes, to provide more flexibility for developing compensation strategy from one year to the next, and to ensure that each employee receives the same opportunity for a salary increase.

Performance Evaluation

The point of reference for performance-based compensation is, of course, a performance appraisal. Formal evaluations of employee performance were sporadic and infrequent in years past. Therefore, a new evaluation instrument, "The Employee Feedback and Development Plan," was developed. The plan is somewhat different than traditional performance appraisals in that it elicits continuous feedback and communication. It is used by the supervisor throughout the performance period and is finalized at year-end. Feedback to employees is timely and nonthreatening, management has the opportunity to provide adequate direction as employees are performing their jobs, desired performance is identified and reinforced, undesirable performance and results are identified at a time when change can more easily be made, and the focus of the more formal discussion (at year-end) is the present and the future, not the past. The plan also features performance objectives that focus on the employee's current work requirements, a non-traditional rating scale that encourages supervisors to "call it like it is," and rating factors that stress organizational values.

Intern Program

The Office hosted 30 interns during the summer of 1997. Serving in 13 different departments, these interns made many worthwhile contributions to the goals and objectives of our organization and received a unique educational and work experience.

SENATE LIBRARY

The Senate Library provides legislative, legal and general reference services to the United States Senate. The core collection consists of a comprehensive collection of congressional publications dating from the Continental Congress. In addition, the Library maintains executive and judicial branch materials with an extensive collection of books on politics, history and biography. These sources plus a wide array of in-house and commercial online systems, assist Library staff in providing timely and accurate information services.

Administration

The Library's major administrative achievement was the implementation of the merit review program with the development of performance objectives, annual staff evaluations and an incentive compensation program based on merit. The second significant accomplishment was the reduction in Library operating costs by \$11,314.21. These reductions, the most substantial in Library history, were accomplished

through a strictly focused acquisitions policy which will not compromise service but will allow for the continued purchase of core materials as the costs increase.

Library Relocation

The Library staff and the Architect of Capitol completed preliminary design plans in September 1997 for the new Russell building facility and the Capitol suites. The design firm of Meyer, Sherer and Rockcastle of Minneapolis will assist in the planning of both the Russell building and the restoration of the Library's third floor Capitol rooms. The Russell building work began in late December 1997 and completion of the project is scheduled for February 1999. The facility will use compact shelving, provide work areas for 20 Library employees and reading sites for 14 Senate staff. Upon completion, the entire Library staff and collection will move to the Russell building and the renovation will begin on the Library's Capitol rooms. That work will include upgrades to air handling and electrical systems, extensive plaster work and new shelving. The proposed completion date for the Capitol project is August 1999. With the two facilities, the Library will continue to provide high quality information services to both the Capitol and the Senate office buildings.

Information Services

Activity for 1997 remained at a high level with over 46,000 requests answered, over 7,000 items delivered and 5,200 faxes sent. In addition, nearly 9,000 patrons used Library materials in the Reading Room and staff provided over 41,000 legal, news and business database searches. Increased use of improved online systems, particularly LIS, by Senate staff provided quality information resources to the Library and to the entire Senate. Library service was greatly enhanced through the use of electronic mail, faxing by personal computer and the installation of a patron terminal.

Technical Services

In mid-September, DataTrek, the integrated library system, collapsed from a power supply failure to the server. The reason for the power interruptions was not determined, though several system and plug-in boards were corrupted. After 11 weeks of attempted solutions, INET and the Senate Computer Center finally decided to replace the server, which brought the system back online. During that time, work backlogs affected every aspect of operations including cataloging, loan records, overdue notices, acquisitions, and subscriptions check in. Once operational, the backlog was completely erased through very dedicated efforts of the Technical Services staff.

The Library has also instituted several new and efficient acquisitions procedures. The Internet is now a purchasing tool for missing and out of print books and also a primary source for government documents. When these government documents are downloaded for the collection, the website is included in the catalog record. Thirdly, the direct delivery of newspapers to the Library has streamlined the claiming of missing issues.

Acquisitions is being impacted by the continued reduction in government printing, the increased use of microfiche and the increase in desktop publishing in Congressional offices. These developments have placed additional burdens on libraries hoping to maintain their collections. The issues include limited numbers of paper copies being printed, unpredictable distribution and unreliable Internet sources. The Library makes a concerted effort to secure copies of essential documents, but we are discovering that many escape our best efforts, potentially affecting the quality of the collection. The Library's comprehensive legislative collections have always served as the Senate's internal archives, and as offices, particularly committees, cope with limited space, the quality and continuity of that collection becomes increasingly more important.

The 6,700 bibliographic records which were produced and added to the catalog in 1997 was an increase of 16 percent over last year. Technical Services production was especially impressive when considering the technical problems encountered during the fourth quarter. Major cataloging efforts were directed towards older materials with the long range goal of having the entire collection accessible online. Currently, patron access to the Library's online catalog is limited to terminals in the Library and a near term goal is to provide access to all Senate staff through Webster.

OFFICE OF THE SENATE CHIEF COUNSEL FOR EMPLOYMENT

The Office of the Senate Chief Counsel for Employment (SCCE) is a non-partisan office established at the direction of the Joint Leadership in 1993 after enactment of the Government Employee Rights Act (GERA), which allowed Senate employees

to file claims of employment discrimination against Senate offices. The Congressional Accountability Act of 1995 (CAA) applies the requirements, responsibilities and obligations of 11 employment laws to Senate offices. The SCCE provides legal advice and representation of Senate offices in CAA matters.

Background

Each of the SCCE attorneys came to the office after having practiced as employment law litigators in major national law firms representing Fortune 100 corporations. The services the office provides are the same legal services the attorneys provided their clients while in private practice. The activities of the SCCE during 1997 can be divided into the following categories: Litigation (Defending Against Lawsuits), Legal Negotiations of Settlements of Threatened or Extant Lawsuits, Preventive Legal Advice, Union Drives and Negotiations, OSHA/ADA, Layoffs and Office Closings, Management Training and Administrative/Miscellaneous Matters.

Litigation (Defending Against Lawsuits)

During 1997, the SCCE represented employing offices of the Senate in hearings, proceedings, investigations, and negotiations relating to labor and employment laws.

Legal Negotiations of Settlements and Preventive Meetings

At times, a Senate office will become aware that an employee is contemplating suing, and the office will request the SCCE's legal advice or that the SCCE negotiate with the employee's attorney to obviate the need for litigation.

On a daily basis, the SCCE advises and meets with Members, chiefs of staff, and office managers at their request. The purposes of the advice and meetings are to prevent litigation and to minimize liability in the event of litigation. Since January 1997, the SCCE has had more than 1,671 conferences and over 386 meetings.

Union Drives and Negotiations

During 1997, the SCCE represented Senate offices in connection with union drives. One drive is ongoing.

OSHA/ADA

In January 1997, OSHA and titles II and III of the ADA became applicable to the Senate. The SCCE provides advice and assistance to Senate offices by assisting them with complying with the applicable OSHA and ADA regulations, representing them during Office of Compliance inspections, advising State offices on the preparation of the Office of Compliance's Home State OSHA/ADA Inspection Questionnaires, and assisting offices in the preparation of Emergency Action Plans. Senate offices request the SCCE to provide legal representation during such inspections to ensure that they comply with the law and that the Office of Compliance does not exceed its jurisdiction.

Layoffs and Office Closings

The SCCE has provided legal advice and strategy to individual Senate offices and Committees regarding how to minimize legal liability in compliance with the law when offices reduce their forces.

In addition, pursuant to the Worker Adjustment and Retraining Notification Act (WARN), offices that are closing must follow certain procedures for notifying their employees of the closing and for transitioning them out of the office. The SCCE tracks office closings and notifies those offices of their legal obligations under the WARN.

Management Training

The SCCE gives legal advice seminars to Chiefs of Staff and Office Managers on a group basis to inform them of their legal duties and responsibilities under the CAA. During 1997, the office averaged two seminars per month. The topics addressed in the seminars were: preventing and addressing sexual harassment; complying with the Family and Medical Leave Act; complying with the Fair Labor Standards Act; rights and obligations under union laws; complying with the Americans with Disabilities Act; advertising, interviewing and hiring without violating the law. The office also writes and distributes reference manuals to educate managers about their obligations under employment laws.

In an attempt to find a more efficient and cost-effective way of providing Members' state offices with this necessary training, the SCCE has begun broadcasting its seminars to the state offices live via the Internet. The broadcast is both audio and visual, and it allows two-way communications.

Administrative/Miscellaneous Matters

The SCCE provides assistance to Senate offices by preparing employee handbooks, office policies, supervisors' manuals, sample job descriptions, interviewing guidelines, and job evaluation forms to assist Senate offices in complying with employment laws and thereby minimizing the potential for litigation.

The SCCE also reviews all regulations issued by the Office of Compliance and advises the Senate as to whether the regulations should be approved, modified, or not approved.

OFFICE OF CONSERVATION AND PRESERVATION

The Office of Conservation and Preservation develops and coordinates programs directly related to the conservation and preservation of Senate records and materials for which the Secretary of the Senate has statutory authority. Initiatives include mass deacidification, conservation of books and documents, collection surveys, and contingency planning for disaster response and recovery.

Work prepared for Senate Leadership

For more than twenty years the office has bound a copy "Washington's Farewell Address" for the annual Washington's Farewell Address ceremony. In 1997, the volume was bound for and read by Senator Bill Frist.

At the direction of the Secretary of the Senate, and through the Office of Interparliamentary Services, marbled paper slipcases were fabricated for the book, "The United States Capitol: Photographs" by Fred J. Maroon, and these were presented to 19 dignitaries during Senate trips.

At the request of the Senate Democratic Leadership, 125 folders were embossed with the name of each Senator. At the request of the Secretary of the Senate, 100 ID cases were embossed with each Senator's name and home state. Four hundred ninety-four items were matted and framed, including resolutions, photographs, letters, and photographic compilations for five different Senators.

Inaugural Ceremonies

The office assisted the Inaugural Committee by matting and embossing 305 photos, and embossing 15 photo albums for the Joint Committee on Inaugurations.

Senate Library

In 1997, conservation treatments were completed for 225 volumes of a 7,000 volume collection. The office also prepared and sent 609 books from the Senate Library to the Government Printing Office (GPO) for binding.

In consultation with the Senate Librarian, monies from the Book Preservation Fund helped the Senate Library purchase replacement copies for the Statutes at Large.

Office of the Senate Curator

The office assisted the Office of the Senate Curator in the preparation and installation of two exhibits on Isaac Bassett, former doorkeeper, and Arthur Scott, Senate photographer.

The office also assisted the Office of the Senate Curator and Senator Hutchison's Office with matting and framing of 15 historical engravings, 7 oversize Audubon prints, and 19 architectural drawings, for display in the Senate Courtyard conference rooms, located on the west front of the U.S. Capitol.

Historical Office

This year the office undertook the posterity binding of two oral history interviews: Brian Hallen, former Senate Enrolling Clerk and William A. Ridgely, former Senate Financial Clerk and Assistant Secretary of the Senate.

Miscellaneous Projects

The office continues to utilize our spray deacidification system, encapsulator, and dry mounting press. This year the office deacidified 49 items, encapsulated 51 items, and dry mounted 156 items.

For the Senate Photographic Studio, the office embossed 22 photo albums illustrating a congressional trip to Europe. For Senator Kerrey of Nebraska, our office fabricated a blue leather retirement book to be presented to Senator Exon of Nebraska. For Senator Abraham of Michigan, our office embossed a condolence book for the Princess of Wales. For Senator Cleland of Georgia, our office matted and framed a needlepoint and a photograph to be presented to the White House.

The office continues conservation treatment of appropriation bills from 1877-1943. This year the office completed 49 books. There are approximately 300 books remain-

ing for treatment. These books are a part of the Appropriations Committee collection.

OFFICE OF SENATE SECURITY

The Office of Senate Security (OSS) is responsible for the administration of classified information, personnel security, counterintelligence and classified computer security programs in Senate offices and committees. OSS also serves as the Senate's liaison to the Executive Branch in matters relating to the security of classified information in the Senate.

Classified Meetings

OSS secure conference facilities were used on 947 occasions during 1997. This is a 34.5 percent increase in the use of OSS facilities over 1996 levels.

Document Control

Classified document transactions continue to increase. OSS completed 7,875 document transactions for calendar year 1997, which is an increase of 13.8 percent over 1996 levels.

Personnel Security

OSS workload in the personnel security area remained steady during 1997. Personnel security investigations were initiated on 158 Senate employees. Of those investigations, 47 were "periodic reinvestigations" to update security clearances granted five or more years ago. 109 investigations were completed, and the remainder of the investigations (49) are pending completion by the Department of Defense or the Federal Bureau of Investigation.

Security Education

OSS conducted or hosted 67 security briefings for Senate staff. Topics covered included: security managers' responsibilities, office security management, and introductory security briefings.

SENATE STATIONERY ROOM

The Senate Stationery Room's principal functions are to provide for sale stationery items for the use of Senate offices and others authorized to use the service, to maintain an inventory and select a variety of stationery items adequate to meet the needs of the Senate personnel and purchase supplies either through competitive bids, GSA or special orders for these same items, to maintain individual stationery accounts for Senators, Committees, Officers, etc., and to issue bills and statements and receive reimbursement for all purchases, to deliver merchandise to Senatorial offices, and to advertise for bids and award contracts for Senate stationery supplies.

Fiscal year 1997 statistical operations

Gross sales	\$3,243,549
Sales transactions	89,567
Generated purchase orders	6,626
Vouchers processed	7,372
Metro fare media sold	5,624

The statistical operations of the Stationery Room for fiscal year 1997 saw increases in all categories from the last fiscal year. Gross sales were up by \$281,914. Sales transactions were up by 1,200. Purchase orders generated were up by 1,042. Vouchers processed for vendor payments were up by 587. Metro Fare Media sold were up by 77.

For fiscal year 1997, staffing level for the Stationery Room remained at fifteen, which is down by four staff positions since fiscal year 1994. The Stationery Room personnel continue to take on multiple job assignments when staff shortages exist due to illness or vacation.

The Stationery Room customer base consists of approximately 242 offices and other legislative organizations which are located in nine buildings, many of which have multiple locations. In addition to offices with official requirements, the Stationery Room also accommodates personal purchases from employees within the legislative community.

The Stationery Room carries nearly 1,290 items, supplied by approximately 200 vendors.

Fiscal year 1997 was a very busy and productive year for the Stationery Room staff. First and foremost was the production of a welcome package which was pre-

sented to each new Senator at the orientation program. This package consisted of information about the Stationery Room and its policies and procedures.

During the second quarter of fiscal year 1997, the Stationery Room was the recipient of the 1996 Outstanding Sales and Service Award presented by the Washington Metropolitan Transit Authority for its participation in the Federal Metropool Program.

Considerable time was spent during fiscal year 1997 to develop a plan of action for the implementation of new technology transitions that will occur by the end of fiscal year 1998. This plan has been devised to provide the least disruption to the Stationery Room customers, while providing for the office's transition into the 21st century.

INTERPARLIAMENTARY SERVICES

The Office of Interparliamentary Services has completed its 16th year of operation as a department of the Secretary of the Senate. IPS is responsible for administrative, financial, and protocol functions for all interparliamentary conferences in which the Senate participates by statute, or on an ad hoc basis, and for special delegations authorized by the Majority and/or Minority Leaders. The office also provides appropriate assistance as requested to other Senate delegations.

The statutory interparliamentary conferences are: North Atlantic Assembly; Mexico-United States Interparliamentary Group; Canada-United States Interparliamentary Group; Interparliamentary Union; and British-American Parliamentary Group.

In May, the 36th Annual Meeting of the Mexico-U.S. Interparliamentary Group was held in Santa Fe, New Mexico. Arrangements for this successful event were handled by the IPS staff.

As in previous years, all foreign travel authorized by the Leadership was arranged by the IPS staff. In addition to official delegations, IPS provided assistance for 17 individual foreign trips by Members. Several other trips were scheduled, but were canceled or postponed after most of the advance work had been completed. Also, Senators and staff authorized by Committees for foreign travel continued to call upon this office for assistance with passports, visas, travel arrangements and reporting requirements.

IPS receives and prepares for printing the quarterly financial reports for foreign travel from all committees in the Senate. In addition to preparing the quarterly reports for the Majority Leader, the Minority Leader, and the President Pro Tempore, IPS staff also assist Senate staff and committees in filling out the required reports.

Known to many in the Senate as the "protocol office," Interparliamentary Services maintains regular contact with the Office of the Chief of Protocol, the Department of State, and with foreign Embassy officials. Official foreign visitors are frequently received in this office and assistance is provided to them by the IPS staff. The staff continues to work closely with other offices of the Secretary of the Senate and the Sergeant at Arms in arranging programs for foreign visitors. In addition, IPS is frequently consulted by individual Senators' offices on a broad range of protocol questions. Occasional questions come from state officials or the general public regarding Congressional protocol.

On behalf of the Leadership, the staff arranges receptions in the Senate for heads of state, foreign dignitaries and parliamentary delegations. Required records of expenditures on behalf of foreign visitors pursuant to section 2 of Public Law 100-71 are maintained in the Office of Interparliamentary Services.

Planning is underway for the 39th Annual Meeting of the Canada-U.S. Interparliamentary Group which will be held in 1998. Also, in 1998, advance work, including site inspection, will be undertaken for the 38th Annual Mexico-U.S. Interparliamentary Group Meeting and the 1999 British-American Parliamentary Group Meeting, both to be held in the United States.

SENATE GIFT SHOP

The Senate Gift Shop, established in October of 1992, provides a variety of gift items and products, many of which contain educational and historical information pertinent to the U.S. Senate and the U.S. Congress. Gift Shop services are available to Congressional members, staff, constituents and visiting tourists.

Two of the most successful new items offered in 1997 were the 105th Congressional Plate and the Capitol Box. These items were created and marketed to benefit the Capitol Preservation Commission and assist in raising the awareness of the Capitol Visitor Center Project.

This year marked the completion of the four-year series of the Congressional Holiday Ornaments (1994-1997). The 1997 ornament proved to be one of the most popular ornaments of the series. The Gift Shop is now planning a new four year series

which will begin in 1998 and will highlight the early years of the republic. The ornaments will display images of historical structures that have served the Senate and House of Representatives and will include Federal Hall (1789–1790) in New York, Congress Hall (1790–1800) in Philadelphia, and the Capitol Building as it appeared in 1800. The fourth and final ornament of the series will be of the present day Capitol. All of the various ornaments will be packaged with educational and historical information.

The Gift Shop in the Capitol has become a distribution point for many educational and historical brochures. These documents created by the offices of the Senate Curator and the Senate Historian have proved to be a most popular item with visitors. The Gift Shop plans to continue expanding this service as more brochures become available and in the near future expects to have publications in foreign languages.

OFFICE OF PUBLIC RECORDS

The Office of Public Records receives, processes, and maintains records, reports, and other documents filed with the Secretary of the Senate involving the Federal Election Campaign Act, as amended, the Lobbying Disclosure Act of 1995, the Senate Code of Official Conduct including Rule 34, Public Financial Disclosure, Rule 35, Senate Gift Rule filings, Rule 40, Registration of Mass Mailing, Rule 41, Political Fund Designees, and Rule 41(6), Supervisor's Reports on Individuals Performing Senate Services, and Foreign Travel Reports.

The office provides for the inspection, review, and reproduction of documents in accordance with the above statutes and Rules. From October, 1996, through September, 1997, the Public Records office staff assisted more than 3,000 individuals seeking information from reports filed with the office. This figure does not include assistance provided by telephone, nor help given to lobbyists attempting to comply with the provisions of the new Lobbying Disclosure Act of 1995. A total of 140,590 photocopies were sold during fiscal year 1997. The office works closely with the Federal Election Commission, the Senate Select Committee on Ethics, and the Clerk of the House concerning the filing requirements of the aforementioned Acts and Senate rules.

Automation Activities

During fiscal year 1997, public financial disclosure reports were scanned using optical imaging technology. With respect to both lobbying and campaign financing filing areas, the office has worked to develop an automated database that is able to accept non-paper transmissions (electronic filing) as well as imaged paper filings.

Federal Election Campaign Act, as Amended

The Act requires Senate candidates to file semi-annual reports in a non-election year. Filings totaled 6,791 documents containing 95,584 pages for fiscal year 1997.

Lobbying Disclosure Act of 1995

The Lobbying Disclosure Act of 1995 replaced the Federal Regulation of Lobbying Act, substituting organizational registrations instead of individual ones, semi-annual reports for quarterly ones, and inclusion of executive branch lobbying activity. As of September 30, 1996, 4,051 registrants represented 8,897 clients and employed 14,946 individuals who met the statutory definition of lobbyist. The lobbying registrations and reports were microfilmed and indexed into a temporary database pending completion of an automated database system to include imaging (for paper copies received) and electronic components (discussed above).

Public Financial Disclosure

The filing date for Public Financial Disclosure Reports was May 15, 1997. The reports were available to the public and press by Friday, June 13th. Copies were provided to the Select Committee on Ethics and the appropriate state officials. A total of 2,402 reports and amendments were filed containing 12,427 pages. There were 421 requests to review or receive copies of the documents.

Senate Rule 35 (Gift Rule)

On January 1, 1996, the revised Senate Rule 35 took effect as a result of passage of S. Res. 158 on July 28, 1995. The Senate Office of Public Records received over 2,900 reports totaling 3,100 pages during fiscal year 1997.

Registration of Mass Mailing

Senators are required to file mass mailings on a quarterly basis, and the number of pages for fiscal year 1997 was 605.

HISTORICAL OFFICE

Serving as the Senate's institutional memory, the Historical Office collects and provides information on important events, precedents, dates, statistics, and historical comparisons of current and past Senate activities for use by members and staff, the media, scholars, and the general public. The Office advises Senators, officers, and committees on cost-effective disposition of their non-current office files and assists researchers in identifying Senate-related source materials. The Office keeps extensive biographical, bibliographical, photographic, and archival information on the more than 1,700 former Senators. It edits for publication historically significant transcripts and minutes of selected Senate committees and party organizations, and conducts oral history interviews with retired senior Senate staff. The Office maintains a collection of approximately 30,000 still pictures, slides, and negatives that includes photographs and illustrations of most former Senators, as well as news photographs, editorial cartoons, photographs of committees in session, and other images documenting Senate history.

Editorial Projects

Vice Presidents of the United States, 1789–1993.—Working with former Senator Mark Hatfield, the Historical Office prepared a series of forty-four chapter-length essays tracing the role of each of the nation's former vice presidents operating within the institutional context of the United States Senate. Each chapter includes biographical information on the individual, how he came to run for vice president, and his impact on that office. The Office completed publication arrangements with the Government Printing Office early in 1997 and the book appeared in April as Senate Document 104–26.

A History of the Senate Republican Policy Committee, 1947–1997.—To commemorate the fiftieth anniversaries of the Senate Republican and Democratic Policy Committees, the Historical Office has prepared narrative histories of the committees, their members, their staffs, and their impact on legislation in the U.S. Senate. In June the Government Printing Office published the first of these two volumes. Work is nearing completion on the companion volume on the Democratic Policy Committee.

Minutes of the Republican and Democratic Party Conferences, 1903–1964.—In 1992 the Senate's party leaders agreed to a recommendation of the Advisory Committee on the Records of Congress that the Historical Office preserve, edit, and publish the official minutes of each party conference, dating from the start of the twentieth century to a period thirty years before the present. The Office completed work during 1994 on the minutes of the Senate Democratic Conference covering the years 1903–1964. In 1997, the Office concluded work on a companion volume for the minutes of the Republican Conference for the years 1911–1964. Both volumes are now ready for publication, subject to final approval by the respective conferences.

Oral History Program

The Historical Office opened for scholarly research the transcripts of oral history interviews with Kelly D. Johnston, former Secretary of the Senate and staff director of the Senate Republican Policy Committee. A series of interviews with Charles Ferris, former staff director of the Senate Democratic Policy Committee, were also completed and are being processed. Interviews were also conducted with C. Abbott Saffold, former Senate Democratic Secretary. The Office continues to work with other oral history projects, at universities and state historical societies, that are focused on individual Senators' careers.

Member Services

"Senate Historical Minutes".—At the request of the Senate Democratic Leader, the historian prepared and delivered a "Senate Historical Minute" at each of thirty Senate Democratic Conference weekly meetings. These 300-word "minutes" are designed to enlighten members about significant events and personalities associated with the Senate's institutional development. Each "Minute" was subsequently published the day after its delivery in The Hill newspaper and then collected in a booklet, "Thirty Minutes of Senate History," that will be distributed to all Senate offices early in 1998.

"Records Management Handbook for United States Senators and Their Archival Repositories" was updated and extensively revised, particularly those sections dealing with electronic records. The Senate Archivist worked with the National Archives and the Senate Computer Center to revise this work's electronic records sections. This publication will be reissued in 1998.

Educational Outreach

Since September 1996, the Office has produced a Senate home page feature entitled "This Month in Senate History." The entries for each month highlight approximately twenty institutionally significant events that occurred during that month in Senate history. Starting in May 1997, the Office also produced a brochure containing the same information, which are provided to Senate offices for distribution to constituents and other visitors.

Work continued on a series of eight-page brochures (one per state) presenting brief accounts of how each state has been represented in the Senate and Capitol since its admission to the Union. Each brochure includes names and service dates of the state's former members, significant events and personalities in the joint histories of the state and the Senate, references to state-related works of art in the Capitol, and suggestions for further reading. Text for thirty-three of these brochures has been completed and edited, and preliminary text has been drafted for the rest. Several members' offices have adapted their states' text for presentation on their World Wide Web home pages. During 1998 the Office will complete the remaining brochures and will work with other Senate offices interested in providing the information on the Internet.

As part of the staff seminars conducted under the auspices of the Secretary of the Senate, Historical Office staff have continued to deliver periodic addresses on various aspects of the Senate's history. The Historian discussed "Housing of the Senate, 1789-1983," and the history of the current Senate chamber. The Associate Historian spoke on "The Senate and the Press," and "Senate Investigations," and offered a tour of historic Congressional Cemetery. The Assistant Historian addressed "The Senate and Treaty-making." The Senate Archivist continued regular seminars for committee and personal staffs on records management and disposition.

Inaugural Proceedings

The Historical Office once again assisted the Joint Congressional Committee on Inaugural Ceremonies, providing and reviewing historical information for the Inauguration Ceremonies Program. Office staff also participated in a "chat room" conducted by C-SPAN on the Internet, answering questions from the public on the history of inaugural procedures at the Capitol, and explained the historical role of Congress in the inauguration in a C-SPAN broadcast.

Declassified Records

Presidential Executive Order 12958, "Classified National Security Information," provides for the automatic declassification, in April 2000, of executive branch-created classified national security information that is over twenty-five years old, unless it has been reviewed and exempted under one of the several categories provided for in the order. In 1995, the Senate Archivist located all affected materials among committee records housed at the Center for Legislative Archives. The project continued in 1996 as each committee was contacted to obtain approval for declassification review by specialists who will be working in the National Archives. All committees with such holdings granted approval during 1997, and work has begun at the Center with an initial survey by declassification staff of the records of the Joint Atomic Energy Committee.

Photographic Collections

In 1997, the Office sought to expand its collection by actively seeking photographs of former Senators, and by creating a photographic record of historically significant contemporary Senate events. The photo historian worked closely with the Senate Curator's Office to develop a photographic exhibit of the work of Arthur Scott, a former news photographer, Senate official photographer, and the Senate's first photo historian. The exhibit, located in the Capitol building, is seen daily by hundreds of visitors. An on-line exhibit of select Scott photographs was made available on the Senate's World Wide Web home page.

OFFICE OF SENATE CURATOR

The Office of Senate Curator, under the direction of the Senate Commission on Art, administers the museum programs of the Senate for the Capitol and Senate office buildings. The Curator and staff suggest acquisitions, provide appropriate exhibits, engage in research, and write and edit publications. In addition, the office studies, identifies, arranges, protects, preserves, and records the historical collections of the Senate, including paintings, sculpture, and furnishings, and exercises supervisory responsibility for those chambers in the Capitol that fall under the jurisdiction of the Senate Commission on Art.

Exhibitions and Publications

The office continued to maintain a series of popular exhibitions on Senate art and history, as well as assisting the Senate Historical Office with a new exhibit. An explanatory panel was installed for the painting *The First Reading of the Emancipation Proclamation* as part of a continuing effort to provide educational information to visitors.

The office coordinated efforts to redesign and standardize the many educational publications issued by the Secretary of the Senate to the public. Brochures prepared included *The Vice President's Room*, *The U.S. Senate Foreign Relations Committee*, *Senate Art in Stamps*, and *The Vice Presidential Bust Collection*. The staff worked on a new publication, *The United States Congress and Capitol: A Handbook For Conducting Walking Tours*, specifically developed and designed to aid Senate staff in interpreting the Capitol to their visitors.

Historic Chambers

The Curator's staff continued to maintain the Old Senate and Old Supreme Court Chambers, coordinating periodic use of both rooms for special occasions.

Collections: Acquisitions and Management

Several significant works were donated to the Senate collection, including an 1897 sterling silver desk set, a bronze bust of Senator Strom Thurmond by artist Frederick Hart, and 12 boxes of historic Inaugural material. Eighteen sketches detailing the filming of the movie "Advise and Consent" were acquired, as well as 17 historical engravings and photographs.

The staff processed 29 loans for the Senate leadership, and continued to loan and monitor the 455 reproduction prints in the Senate collection. The reorganization of the vice presidential bust collection in chronological order was completed.

Conservation and Restoration

Several significant paintings and frames received conservation treatment, including *The Electoral Commission of 1877*, *Leiv Eiriksson Discovers America*, *Daniel Webster*, and four historical paintings of Revolutionary War scenes by American artist John Blake White. Five marble busts in the Old Supreme Court Chamber received conservation, and an historic sideboard in the collection was restored. New exhibit cases were installed to protect the two Native American sculptures on the third floor of the Capitol from further damage.

A "Furniture Conservation Survey Report" was completed by an independent consultant for the Senate's collection of historic furnishings and decorative arts; it documents the current condition of these works and provides long-term recommendations for the care of the objects.

Collaborations, Educational Programs, Events

The staff supported the Senate's seminar program by presenting four new lectures and assisting with others. At the direction of the Senate Committee on Rules and Administration the office worked on refurbishing three Senate courtyard rooms. The staff assisted the Joint Congressional Committee on Inaugural Ceremonies in a variety of capacities.

Automation

The Curator's home page on the Internet was substantially expanded and as a result, the site saw an eightfold increase in hits. The office assisted in designing and posting a virtual tour of the Senate using Quick Time Virtual Reality (QTVR) technology, and work began on a new interactive exhibition.

Objectives For 1998

Conservation concerns continue to be a priority, with plans to conserve various marble sculptures. Two new exhibitions are scheduled, along with identification labels for all works of art, and small explanatory pylons for several historic rooms. Progress will continue on the long-planned Guide to Senate Fine Arts. Work will proceed on a comprehensive disaster preparedness, management, and response plan for the Senate collection. A collections management and care policy will be established, and a training manual produced. Plans and projects will be developed for the year 2000 to celebrate the 200th anniversary of the first meeting of Congress in the Capitol.

SENATE PAGE SCHOOL

The Senate Page School serves all appointed Senate pages. It exists to provide a smooth transition from and to the students' home school, providing students with

a sound program, both academically and experientially during their stay in the nation's capital, within the limits of the constraints imposed by their work situation.

Schedule

The Senate recess provided the Page School with the opportunity to offer additional instructional time during the months of October through January. Normally, school is conducted between the hours of 6:15–9:45 A.M. unless the Senate convenes early. When the Senate convenes early, the school day is then shortened. For the three months of recess, school was conducted from 7:15–11:30 A.M. Additionally, school was in session on two Saturdays for educational field trips to extend the learning experience.

Field Trips/Speakers

Field trips were taken to Mount Vernon, the White House, the National Aquarium and the Museum of Art in Baltimore, the Museum of Art, the National Zoo, Independence Hall and the Liberty Bell in Philadelphia, Longwood Gardens and the Hagley Museum, the Folger Shakespeare Library, the Manassas Battlefield, Williamsburg, and the National Archives. Students attended performances of "The Crucible" at the Theatre on the Hill in Christ Church, "Paper Moon" at Ford's Theatre, and "The Nutcracker" at the Warner Theater.

Speakers included ROTC recruiters who provided for interested students information about educational opportunities available through the military, and an admissions officer at the College of William and Mary discussed the college admissions process.

Multi-media/Textbooks

CD's of "The Crucible" and "The Scarlet Letter," which are studied as a part of the American Literature curriculum, were purchased. The color printer was also installed. A larger CD tower which will allow for greater networking has been ordered. Additionally, all school computers were upgraded to Windows 95.

Copies of "Robert's Rules of Order" were ordered to prepare students to more effectively utilize the Student Council. All other texts were reviewed and deemed appropriate for continued use.

Testing/Courses/Instructors

A PSAT preparation course was presented to all students this fall by staff and the PSAT was administered on the national testing date. Foreign language tutors worked with students in the areas of French, Spanish, German, Russian, and Japanese. The Page School staff remained the same as in the previous year. The four teachers, Lynne Sacks (English), Michael Bowers (social studies), Stephen Perencevich (mathematics), and Duncan Forbes (science) taught a combination of eleven courses this year, and all continue to be effective teachers. Janice Yocco, the secretary, provides excellent support and service to the principal, the staff, and students. Ms. Sacks and Mr. Forbes are pursuing advanced degrees and are enrolled in graduate courses. Also, Ms. Sacks was the recipient of a National Endowment for the Humanities (NEH) grant last summer and did an independent study as a result. All staff participated in extensive computer training offered by the Senate Computer Center.

Facility

The facility continues to be in fine shape. Built-in office furniture and cabinets for the school office were installed in November. These new furnishings provide storage, are more professional in appearance, and create a safer work environment because there are no exposed cords.

Summary of Plans

Schedule

Students completed their semester curriculum and the closing ceremony was conducted on January 23, 1998, the last day of school for the semester. Orientation and course scheduling for the second semester pages was conducted on Monday, January 26, 1998.

Needs of the incoming students will determine the second semester schedule. Supervised study exists for pages attending Page School less than a semester. Extended day schedules, tutoring by teachers on an as-needed basis, and individualized small group instruction will continue. These various strategies will provide for the delivery of the curriculum.

Field Trips/Speakers

Field trips to the Newseum and Harpers Ferry are planned for the second semester. The focus is on historic and political significance. College visits are incorporated where possible as a critical component of the junior year curriculum. Other field trips will be added as time permits.

Multi-Media/Textbooks

Each year a review is conducted in all subjects to determine which, if any, textbooks need to be replaced. Software will be reviewed and new requests will be investigated. Bulletin boards and new sturdy computer workstations have been requested. Twelve new Compaq Deskpro 4000 computers and six HP printers will be installed in mid February.

Testing/Courses/Instructors

Staff development opportunities have been explored and Duncan Forbes will be attending an Advanced Placement Seminar on Chemistry next summer. Kathryn Weeden, the principal, is planning to attend a leadership academy presented by the National Association of Secondary School Principals in July. Foreign language tutors will accommodate the needs of the incoming pages. It is predicted that we will maintain the services of the French, Spanish, Russian, and German tutors and will add a Latin tutor as we become aware of foreign language needs in the next page class.

Evaluation

The Middle States Association of Colleges and Schools sent a team of evaluators to visit the Page School December 3–5, 1997. An extensive self study was conducted by the Page School staff prior to the visit. The report from the association will be received by the end of February. Upon receipt, the report will be read and assessed, and plans will be made to facilitate any recommendations deemed critical to the improvement of the school.

INFORMATION SYSTEMS DEPARTMENT

The Department of Information Systems provides technical and user support for the Office of the Secretary of the Senate. Information Systems staff also work closely with the Senate Sergeant at Arms and the Government Printing Office on technical issues and joint projects. In late 1997 the Information Systems Department was abolished and the computer support staff were transferred to the Assistant Secretary's office.

Mission Evaluation and Staffing Changes

The authorized staff level for computer support is four—one supervisor and 3 PC/LAN specialists. The staff level dropped from five to four when the PC/LAN specialist assigned full-time to the Office of Public Records was assigned to that department permanently. In 1997 the Secretary's Office continued to replace nonstandard systems with Senate-standard technologies, the objective being to rely more on the technology support contracts of the Sergeant at Arms.

Upgrades and Installations

The Secretary's Office is moving from the unsupported Novell platform to Senate-standard Windows NT. In 1997 a new server was purchased for the Secretary's LAN and it was installed with the Windows NT Server 4.0 operating system. New Pentium computers and HP printers were purchased for staff in all departments. The new PC's with Windows 95 and the Corel WordPerfect 8 Office Suite were installed for all legislative and Floor staff and configured to connect to the NT server. New PC's have been installed in the Offices of the Secretary and Assistant Secretary, the Office of Human Resources, the Office of the Chief Counsel for Employment, the Page School, and the Office of Public Records. A schedule has been established to complete the PC installations and the migration of the rest of the departments on the Secretary's Novell LAN to the NT server by the end of June. The installation of the new PC's in the Disbursing Office and the upgrade of the Stationery Room and Gift Shop computer systems are proceeding in coordination with the FMIS office.

In addition, several items were purchased to assist departments with their individual missions. Two scanners were purchased, one for the Historian, who needs to scan images, and one for the Executive Clerk, who needs to scan the text of nominations; two color laser printers, one for the LIS project and one for the Curator; and a variety of high-end graphics items were purchased for the Curator to produce kiosk exhibits, including a new Macintosh system.

Office Automation Improvements

The installation of new workstations for the legislative staff presented an opportunity to review and improve some of the existing workflow processes. This is particularly true of the Enrolling Clerk's office, where the Clerks previously had to log off the network to work on bills in XyWrite and where backups were stored on 90 megabyte Bernoulli disks. The new workstation configuration allows them to access XyWrite from Windows 95 and the Bernoulli drives were replaced by 1 gigabyte Jaz Drives. In addition, the Enrolling Clerk used to retrieve the electronic file of a Bill from GPO via a gateway PC running DOS scripts. An FTP solution was installed which is faster and more reliable. This FTP solution has proved to be very successful and will soon replace the GPO gateway used by other legislative staff to send Congressional Record material to GPO.

The Journal Clerk's operation has been reviewed and will be reworked to provide more functionality while retaining control over the Journal document. Currently information is pulled from the Congressional Record and a series of WordPerfect 5.2 macros translate GPO's microcomp bell codes to WordPerfect formatting codes. The formatting process will be reworked to use the features of WordPerfect 8 to replace the outdated macros.

Year 2000 Compliance

A complete inventory of all software and hardware in use in the Secretary's Office is being compiled as new PC's are installed in each department. An initial assessment of the inventory as it relates to Year 2000 compliance has been completed.

Most of the computer hardware in the Secretary's Office is Year 2000 compliant. The possible exceptions are some Compaq 386 machines which are being used as gateways. The low-end Pentiums being swapped-out during the migration this Spring will replace the 386's.

The major projects underway in the Senate (LIS, FMIS, and HRIS) will replace many of the currently non-compliant software systems in the Secretary's Office. There remain some commercial off-the-shelf packages and internally-developed applications are being evaluated for Year 2000 compliance. In many cases vendors have verbally assured us that their software is compliant, but the Secretary's Office is obtaining written assurance from these companies.

 INTERPARLIAMENTARY SERVICES—TRIPS IN 1997

May 16–18—Mexico-U.S. Interparliamentary Group; Santa Fe, New Mexico; Chairman: Senator Hutchison; Vice Chairman: Senator Dodd. (Senators Hutchison, Hatch, Shelby, and McCain).

May 27–June 1—North Atlantic Assembly—Spring Meeting; Luxembourg, Luxembourg; Chairman: Senator Roth; Vice Chairman: Senator Biden. (Senators Roth and Hatch).

June 27–July 2—Codel Murkowski; Hong Kong—Handover Ceremonies. (Senators Murkowski, Glenn, McConnell, Robb, Feinstein, and Thomas).

June 28–July 5—Codel Lott; Scotland, England, Belgium, Hungary, Bosnia-Herzegovina. (Senators Lott, Hollings, Coats, Lieberman, DeWine, Frist, and Hagel).

July 5–9—Senate NATO Observer Group; Czech Republic and Spain; Chairman: Senator Roth; Co-Chairman: Senator Biden. (Senators Roth, Biden, Mikulski, and Smith).

August 24–31—British-American Parliamentary Group; London and York, United Kingdom; Chairman: Senator Stevens; Vice Chairman: Senator Byrd. (Senators Stevens, Byrd, Sarbanes, Cochran, Gorton, Bryan, Hutchison, and Roberts).

September 11–15—Canada-U.S. Interparliamentary Group; Nova Scotia and Prince Edward Island, Canada; Chairman: Senator Murkowski; Vice Chairman: Senator Murray. (Senators Murkowski, Murray, Sarbanes, Grassley, Coats, Akaka, DeWine, and Enzi).

October 9–17—North Atlantic Assembly—Fall Meeting; Bucharest, Romania—Stops also in Estonia and Germany; Chairman: Senator Roth; Vice Chairman: Senator Biden. (Senators Roth and Bennett).

Nov. 30–Dec. 11—Global Climate Change Conference; Kyoto, Japan; Chairman: Senator Hagel. (Senators Hagel, Chafee, Baucus, Kerry, Lieberman, and Enzi).

 INTERPARLIAMENTARY SERVICES: OFFICIAL FOREIGN VISITORS IN 1997

January 14—Mr. Chee Heung Chor, Member of Parliament of Malaysia (1)

February 4—Delegation of Russian Legislators (4)

February 10—Mr. Vukasin Obradovic, Editor-in-Chief of newspaper in Serbia (1)

March 11—Secretary General of Mongolian Parliament and Delegation (6)
 March 11—His Excellency Mohammed Hosni Mubarak, President of the Arab Republic of Egypt (7)
 April 3—Members of Parliament of South Africa (8)
 April 3—Members of Parliament of Tajikistan (6)
 April 8—The Right Honorable Jean Chretien, Prime Minister of Canada (6)
 April 8—Canadian Chairmen of Canada-U.S. Interparliamentary Group (2)
 April 11—Ms. Wan-chen Chen, Member of Parliament of Taiwan (1)
 April 15—Mr. Jose Luis Torres-Ortega, Member of Parliament of Mexico (1)
 April 25—His Excellency Ryutaro Hashimoto, Prime Minister of Japan (8)
 April 28—Members of Parliament participating in USIA Multi-Regional Project (12)
 April 29—Delegation of Hong Kong Legislative Council Members (8)
 April 29—Her Excellency Qian Qichen, Foreign Minister of China (12)
 May 1—His Excellency Jose M. Aznar, President of Spain (5)
 May 13—His Excellency Vaclav Havel, President of the Czech Republic (7)
 May 14—Members of Parliament, Senate of Italy (7)
 June 3—Members of Parliament, Near Eastern Arabic-Speaking Countries (5)
 June 18—His Excellency Armando Calderon Sol, President of El Salvador (5)
 June 19—Speaker and Clerk of Malawi National Assembly (2)
 June 24—Defense and security analysts from Former Soviet Union and China (19)
 June 26—His Excellency John Howard, MP, Prime Minister of Australia (7)
 July 14—Deputy Principal Clerk, Senate of Canada (1)
 July 16—Deputy Clerk of Legislative Assembly of Victoria, Australia (1)
 July 17—His Excellency Eduard Shevardnadze, President of Georgia (10)
 July 24—His Excellency Prof. Dr. Roman Herzog, Federal President of the Federal Republic of Germany (9)
 July 28—Delegation of National Assembly Members of the Republic of Korea (5)
 August 8—Members of Parliament, Taiwan Senate (11)
 September 9—Members of Parliament, French Senate (8)
 September 10—Delegation of Hong Kong Officials (6)
 September 18—His Excellency Yaakov Neeman, Minister of Finance of Israel (6)
 September 19—General Secretary of the Scottish Labor Party (1)
 September 23—Delegation of European Parliament Members (11)
 September 30—His Excellency Laszlo Kovacs, Minister of Foreign Affairs of Hungary; His Excellency Dariusz Rosati, Minister of Foreign Affairs of Poland; Mr. Karel Kovanda, Deputy Foreign Minister of the Czech Republic (14)
 October 6—Delegation of Japanese Diet Members (8)
 October 6—Chief of Staff of Parliament, Republic of Georgia (3)
 October 8—His Excellency Ezer Weizman, President of the State of Israel (9)
 October 9—Delegation from Santa Domingo (51)
 October 30—His Excellency Jiang Zemin, President of the People's Republic of China (23)
 November 10—Delegation of Japanese Diet Officials (21)
 November 12—Members of Parliament of Turkey (3)
 December 4—President of National Council of Slovenia (1)
 December 4—Delegation of Kuwaiti Junior Diplomats (15)

PREPARED STATEMENT OF STUART F. BALDERSON

Mr. Chairman, I appreciate the opportunity to present to your Committee, the Budget of the United States Senate for fiscal year 1999.

Mr. Chairman, the fiscal year 1999 budget estimates for the Senate have been included in the Budget of the United States Government for fiscal year 1999. This Budget has been developed in accordance with requests and proposals submitted by the various offices and functions of the Senate. The total budget estimates for the Senate are \$527,292,000, which reflect an increase of \$23,855,000, or 4.74 percent over the amount appropriated for fiscal year 1998 and does not reflect any adjustments to these estimates which may be presented to your Committee during these hearings. The total appropriations for the Senate for fiscal year 1998 are \$503,437,000. An individual analysis of the budget estimates for all functions and offices has been included in the Senate Budget Book, previously provided to your Committee.

The budget estimates for fiscal year 1999 are divided into three major categories as follows:

Senate Items	\$84,582,000
Contingent Expense Items	397,410,000
Joint Items of the Senate	45,300,000

Specifically, Mr. Chairman, the increase for fiscal year 1999 over the fiscal year 1998 enacted levels is a result of: (1) \$13,068,624 increase in the budget estimate for Senators' Official Personnel and Office Expense Account to fully fund the allowances which are under-funded as a result of the consolidation of population categories, increases in the populations of various states, and the increase in the Legislative Assistance Allowance authorized in the Legislative Branch Appropriations Act, 1993, and increases in the Official Office Expense Allowance to incorporate the allowance for franked mail expenses authorized by the Legislative Branch Appropriations Act, 1998; (2) \$5,680,500 for the anticipated 3.1 percent cost of living increase for fiscal year 1999, and the annualization costs of the fiscal year 1998 cost of living adjustment; (3) \$1,755,376 for personnel adjustments other than the cost of living, attributable primarily to the budget request of the Sergeant at Arms (which was offset by a reduction in administrative expenses), the budget request of the Capitol Police, including \$1,270,000 for pay differentials and \$104,000 for Capitol Police comparability increases, and the reduction in the budget request for Expenses of Inquiries and Investigations; (4) \$3,697,500 increase in agency contributions applicable to the cost of living adjustments and other personnel increase requests; (5) \$347,000 decrease in non-payroll expense requests, attributable primarily to a decrease in the budget request for the Sergeant at Arms.

Mr. Chairman, I submit for the consideration of your Committee, the Budget of the United States Senate for fiscal year 1999.

ADDITIONAL COMMITTEE QUESTIONS

Question. When will the Senate be able to produce auditable financial statements?

Answer. The first auditable financial statements will be for fiscal year 2000. During fiscal year 1999, the Disbursing Office will install the new Senate general ledger and procurement systems, convert to obligation- and accrual-basis accounting, and conform back office policies and procedures as the first phase of FMIS. The next phase will incorporate other modules of an integrated system necessary to produce financial statements, such as a fixed asset module which will enable determination of the cost basis and depreciation schedule of assets to be capitalized on the balance sheet of the Senate.

Question. Please update the Committee on the status of the appointment of a new Comptroller General of the United States.

Answer. The Comptroller General is appointed to a 15-year term by the President, with the advice and consent of the Senate. Because the General Accounting Office, which the Comptroller General heads, exists primarily to provide research, review, and analysis for Congress, the applicable statute, 31 U.S.C. 703, establishes a bicameral commission to recommend three or more individuals to the President for appointment. I am assisting the Majority Leader in his capacity as chairman of the commission. The commission has carefully reviewed the qualifications of a large field of candidates, and, on January 22, 1998, recommended three individuals to the President. All three are highly-qualified and are supported by a majority of the commission. To date, the President has not acted on the commission's recommendation.

Question. The Secretary's testimony indicates that some statutory changes may be required to modify the way in which expense categories for Senators are prepared in order to convert to an OMB object classification. Are there any other changes of this type which may be required in order to implement FMIS? When do you expect to submit recommendations?

Answer. At this point, the system design and requirements and the project plan for FMIS are not ready. When a draft project plan is ready, we will prepare a list of statutes and practices of the Senate that could be reviewed in connection with the FMIS implementation, whether to meet current federal financial accounting standards or to facilitate use of commercial off-the-shelf (COTS) software. That list will be transmitted to your Committee and to the Committee on Rules and Administration. Close consultation with both Committees will lead to recommendations as to whether the Senate should consider changing existing statutes or practices, or should modify the project plan.

Question. In your testimony you mention that succession planning will be important for your office to fulfill its constitutional responsibilities in the future. Do you have a plan? Does your fiscal year 1999 budget request include any funds for your succession planning? If so, how much? What will this cost in future years?

Answer. The fiscal year 1999 budget request for the Office of the Secretary does not include any funds specifically for succession planning. We have, however, requested authorization for up to fifteen new positions, primarily in the Disbursing Office to implement FMIS, but partly to plan for succession in selected departments. To the extent possible, the costs of these new positions will be absorbed within the requested budget. The basic plan is to ensure that each department, and particularly the thirteen in which the department head is already eligible to retire, is staffed with one and preferably two individuals who have the institutional knowledge, skills, and abilities required to assume the responsibilities of the department head; in many cases, to acquire such knowledge, skills and abilities takes several years of on-the-job training and experience. To that end, we are promoting from within as much as possible, and we are selecting highly-qualified new hires who are committed to the Senate as a career. We are also studying other employee development and progression alternatives with a view toward developing generalists in the legislative departments who could be capable of succeeding more than one department head. Succession planning will impact future years' budgets in that staffing requirements in some departments will be determined by both the immediate workload and the need to ensure that one or two individuals are trained to assume the department head position.

Question. What is the status of S. 1508, the Visitor Center legislation? What is the House's position?

Answer. The Capitol Visitor Center Authorization Act has been introduced as H.R. 20 by Representative John Mica, and as S. 1508 by Majority Leader Trent Lott, Democratic Leader Thomas Daschle, and Chairman John Warner of the Committee on Rules and Administration. S. 1508 is now before the Rules Committee. H.R. 20 was the subject of a hearing before the House Transportation and Infrastructure Subcommittee on Public Buildings and Economic Development on May 22, 1997, at which witnesses from inside and outside Congress all agreed on the need for the visitor center.

While both the House and Senate bills contemplate that the capital construction costs (including the initial furnishing and equipping) will be provided by the existing Capitol Preservation Fund, and by additional private fund-raising overseen by the appropriate House and Senate committees, questions continue to be raised concerning the Capitol Visitor Center's follow-on costs, including care, maintenance, staffing, and educational programs. In the successful effort to eliminate the federal budget deficit, Congress has set the example by holding the line on Legislative Branch appropriations. Accordingly, there may be some reluctance to proceed with the project if to do so would incur substantial operating expenses with long-term impact on the Legislative Branch budget. Both H.R. 20 and S. 1508 take this concern into account by providing that the Capitol Visitor Center will not become a new item in the Legislative Branch appropriations. Rather, a new account for visitor center revenues and expenses is to be established, separate from the existing House, Senate, and joint item accounts. The visitor center will produce substantial revenue from retail operations serving the public, specifically restaurants and a sales shop, and a preliminary assessment by the Architect of the Capitol indicates that those revenues, estimated conservatively, will more than offset operating expenses. Moreover, the visitor center is a vital part of the Capitol Police Board's long-term plans for the security of the Capitol Building and Grounds. If it is not constructed, post-2000 expenditures for security, which must be funded from Legislative Branch appropriations, will be significantly higher than amounts reflected in the fiscal year 1999 appropriations bills.

To resolve these questions, last October, Chairman Walsh of the Legislative Branch subcommittee of the House Committee on Appropriations, recommended the hiring of an independent consultant to prepare a detailed evaluation of the full costs of the Capitol Visitor Center project, considering all relevant matters including the costs of operating the center as intended, the projected revenues from retail operations, and the costs and benefits of integrating the security plans. I am advised that the Senate Rules Committee, concurring with Chairman Walsh and in order to expedite the overall project, intends to contract for the study from the Senate contingent fund, possibly before the end of March 1998.

Question. Congratulations on your progress with LIS. It is a system which will be very useful for the Senate far into the future. Given that it is relatively new and you are continually making significant improvements, what efforts are being taken to keep staff informed about developments with this new resource?

Answer. Thank you for your complimentary remarks. LIS is one the very most important technological innovations in the history of the Senate. When the system is fully implemented and its capabilities are fully known on the part of Senate staff, LIS will be an extremely valuable tool to virtually every individual staff member

who has legislative responsibilities. The Office of the Secretary is, therefore, building upon and expanding its efforts to fully inform the entire Senate community of the LIS features and capabilities. We are also making special efforts to publicize new developments in the system.

One such effort is to conduct surveys, which serve the dual purposes of informing Senate staff of available features and assessing user needs. About half of all Senate offices participated in the most recent survey, with detailed responses coming from legislative directors, legislative assistants, legislative correspondents, research assistants, and others. The responses clearly confirm that the ability to retrieve information on-line is a significant requirement for Senate staff to carry out their duties, as two-thirds of respondents use the existing services multiple times each day and virtually all do so at least several times a week. The survey asked detailed questions about the types of legislative information that offices need on-line. Nearly all respondents say that they "always need" or "often need" summaries and analyses of legislation, votes taken, and legislative status and calendar information. Most indicate that they "always" or "often" need full texts of legislation, full texts of reports, full texts of the Record, member statements in the Record, and news articles.

The survey further found that the existing LIS, even with its limited capabilities at this stage of development, is used by 87 percent of respondents—a far higher usage rate than for any commercial source. Asked for one preferred source of on-line legislative information, more respondents indicated LIS than the combined responses favoring the three commercial sources in use in the Senate (Lexis-Nexis, CQ/Westlaw, Legi-Slate). The reasons given for preferring LIS included "easy use," "quick response time," "has the information I require," and "the search system does what I need."

In another effort to promote LIS, the Project Office has prepared an LIS brochure, describing the system services that are currently available. The brochures have been distributed to all Senator and Committee offices, the cloakrooms, and the Democratic and Republican Policy Committees, and are also available at convenient sites such as the Copy Center. The Project Office has also circulated "Quick Cards" that briefly and conveniently instruct how to access the Amendment Tracking System, Committee Scheduling Information, and Vote Information. An innovation still in progress is an electronic mailing list, to be used to inform staff of new developments and upgrades to LIS, and also inform staff of scheduled training classes.

Training classes, a function of the Project Office and the Senate Computer Center, provide instruction geared to Senate staff at all levels. Attendees receive LIS training materials and reference manuals that they may retain as information sources for use by the entire staff in their offices.

Because of the critical importance of LIS, the Office of the Secretary is adding two staff positions to focus on LIS communications, education and training.

Finally, and in addition to all of the organized efforts, I will continue to brief Senators personally concerning the progress of LIS, and will be pleased to arrange LIS demonstrations for Senators.

Question. \$5 million of fiscal year 1997 funds were provided for LIS to remain available until September 30, 2000. How much of those funds have been obligated to date?

Answer. \$3,051,903. The total obligations for LIS to date are \$4,104,000. In fiscal year 1997, however, \$1,052,917 was obligated and expended for LIS from other appropriations to the Office of the Secretary, with the Committee's approval. The use of other available funds in fiscal year 1997 reflected an effort to minimize any possibility that we may have to request additional appropriations earmarked for LIS before the system is implemented.

Question. \$7 million of fiscal year 1992 funds were provided for FMIS to remain available until September 30, 2000. How much of those funds have been obligated to date?

Answer. \$204,574; however, new contract terms awaiting finalization will immediately obligate an additional \$536,000.

Question. Last year this Committee questioned whether the Office of Reporters of Debate and Captioning Services would be consolidated. Have you taken any action in that regard?

Answer. Consolidation of the Official Reporters and the Captioners was considered by my predecessor, but no action was taken. It is my feeling that any possible consolidation of these two departments should be considered in conjunction with the new technologies that are appearing on the fairly short-term horizon. Technological change that allows for continuous speech recognition holds out the prospect of revolutionizing the way in which the Record is produced. For the present, it seems that the most appropriate course is to defer any permanent restructuring of the reporting function while we monitor progress in the technologies.

CONGRESSIONAL BUDGET OFFICE

STATEMENT OF JUNE E. O'NEILL, PH.D., DIRECTOR

ACCOMPANIED BY JAMES BLUM, DEPUTY DIRECTOR

Senator BENNETT. Our third witness is Dr. June O'Neill, Director of the Congressional Budget Office.

Dr. O'Neill, we welcome you here today. We appreciate your patience, and apologize for the interruption in the hearing because of the vote. But we are delighted you are here and look forward to your testimony.

Dr. O'NEILL. I am certainly very pleased to be here today, Mr. Chairman. And James Blum, who is our Deputy Director, is appearing with me.

I will move straight to a summary of our budget request for fiscal year 1999 and submit my formal statement for the record, if that is all right.

Senator BENNETT. Absolutely.

Dr. O'NEILL. We have also brought today copies of our annual report on the economic and budget outlook and our annual report on our activities for 1997. I brought those for the committee members.

Senator BENNETT. Do you agree we are going to have a balanced, unified budget this year?

Dr. O'NEILL. Well, it certainly looks like that.

Senator BENNETT. OK. The President is busy spending it.

Dr. O'NEILL. It is always a problem, I guess, when you see that success is at hand.

Senator BENNETT. This is the nice way to be a politician, when you have a little money to spend.

CONGRESSIONAL BUDGET OFFICE'S FISCAL YEAR 1999 REQUEST

Dr. O'NEILL. Our budget request for fiscal year 1999 is \$25.9 million. And that allows for a net increase of 4.6 percent, or \$1.1 million, over our fiscal year 1998 appropriation. Personnel costs account for 85 percent of the total CBO budget, and they are driving our requests. Nearly 96 percent of the approximate \$1.5 million in gross cost increases facing CBO in fiscal year 1999 are increases associated with pay and benefits.

In order to offset the pay and benefit increase that we anticipate, CBO has reduced other parts of its budget. We have been able to absorb more than 20 percent of the personnel cost increases, primarily by cutting spending for automated data processing [ADP] equipment. And we have cut that spending by \$305,000, which is close to a 13-percent reduction in ADP. Our request funds our staff ceiling of 232 full-time equivalent positions. And we are not asking for any additional positions.

Although CBO should be able to maintain its current workload with the funds requested here, the agency does confront several uncertainties in fiscal year 1999. And I will briefly point those out.

AREAS OF CONCERN SURROUNDING THE CONGRESSIONAL BUDGET OFFICE'S BUDGET REQUEST

A principal concern is our ability to offer the salaries and benefits needed to remain competitive in today's tight labor market. The current job market compels CBO and other employers to worry about both the recruitment of new workers and the retention of current employees. The problem is particularly acute at CBO, because our work requires a staff of economists and other quantitatively skilled professionals, all of whom are in particularly high demand right now. Newly minted economists now command surprisingly high salaries. Recruitment has become time consuming and often very frustrating as more and more often we lose qualified people to employers who can sometimes pay as much as 50 percent more in compensation.

The difficulty of attracting new staff has added to pressure to retain our experienced employees. Retention, however, has also become more difficult as our experienced analysts have become the focus of other employers' recruiting efforts. In the past few months, for example, CBO has lost three of its managers to more senior and higher-paying positions.

We are not suggesting that because of our turnover rates we deserve extraordinary consideration. Nevertheless, we operate under something of a disadvantage compared with other Federal employers who are able to provide locality pay increases and give lump-sum bonuses to attract and retain exceptional workers. Given those circumstances, I believe CBO's merit pay request for fiscal year 1999 is critical to our remaining competitive in the employment market.

A further concern for CBO is the uncertain costs associated with relocating important ADP systems. At present, CBO relies on the mainframe computer of House Information Resources [HIR] to run its budget data base applications. However, the HIR mainframe is slated to be retired, and CBO, along with other users, will have to make other arrangements. HIR and its mainframe computer have provided excellent service. Our challenge is to duplicate, as closely as possible with a new vendor, the service we currently receive from HIR.

We do not yet have a firm estimate of how much it will cost to evaluate our options for moving CBO's systems or to prepare for the transition; both types of costs are likely to occur in fiscal year 1999. Our request includes \$100,000 for those purposes, although that could prove to be a conservative estimate.

CONCLUSION

CBO is keenly aware of the Congress' intention to restrain Federal spending, including that in the legislative branch. In response, CBO's recent budget requests have been quite modest, with requested increases usually less than the projected rate of inflation. Our present request is our best estimate of the amount we need to provide our current level of services. We try to be prudent, and we

plan to absorb over 20 percent of our mandatory pay and benefit increases through reductions in other parts of our budget. We believe, however, that our requested increase of 4.6 percent is necessary if we are to continue to serve the Congress in the manner it has come to expect.

PREPARED STATEMENT AND ADDITIONAL COMMITTEE QUESTIONS

Thank you, Mr. Chairman, and I will be happy to answer any questions you may have.
[The information follows:]

PREPARED STATEMENT OF JUNE E. O'NEILL

Mr. Chairman and Members of the Subcommittee, I am pleased to present the fiscal year 1999 budget request for the Congressional Budget Office (CBO). The mission of CBO is to provide the Congress with the objective, timely, nonpartisan analysis it needs for economic and budget decisions, and the information and estimates required for the Congressional budget process. CBO does not make policy recommendations; instead, it presents the Congress with options and alternatives in a wide range of subject areas, all of which have economic and budgetary impacts.

Our fiscal year 1999 request is for \$25,938,000, an increase of 4.6 percent, or \$1.1 million, over our fiscal year 1998 appropriation of \$24,797,000. The level of funding we are requesting would support 232 full-time-equivalent positions (FTE's), our current staff ceiling. No additional staff are requested. The 1999 request includes a 7 percent increase in spending for personnel, which comprises 85 percent of CBO's budget. That increase is partially offset by a 13 percent drop in spending for automated data processing (ADP), updates to computer systems, and data purchases. Administrative spending increases by 3 percent in our budget, about the same rate as inflation.

Although the amount we are requesting is our best estimate of the resources needed to maintain CBO's current level of services, we are aware of some uncertainties that could affect our resource needs. CBO's experience with hiring during the past year has heightened our concern about being able to offer the salaries and benefits necessary for us to remain competitive in the job market. CBO is also facing the relocation of important data processing systems, at an unknown cost, as the House moves to eliminate its mainframe computer by 2000. In addition, the Congress continues to consider expanding the private-sector mandate provisions of the Unfunded Mandates Reform Act of 1995, which could increase CBO's duties under the act.

Before discussing our fiscal year 1999 request—and the uncertainties surrounding it—in more detail, I would like to talk a moment about the state of the federal budget and CBO's budget estimates, which may have caused some Congressional concerns last year. I would also like to tell you about CBO's Web site, launched last September, which should help us meet the demand on Capitol Hill for more immediate access to our information.

BUDGET DEFICIT OUTLOOK AND RECENT CBO ESTIMATES

The federal budget deficit narrowed significantly in fiscal year 1997, and the budget outlook for the baseline projection period through 2008 now appears quite bright. Unfortunately, those favorable developments were not foreseen early in 1997 either by CBO's estimators or by other forecasters in the government or the private sector.

The Economic and Budget Outlook

On January 28, at a hearing before the Senate Budget Committee, the Congressional Budget Office released the first volume in its series of annual reports to the Congress, "The Economic and Budget Outlook: Fiscal Years 1999–2008." CBO projects single-digit deficits for fiscal years 1998, 1999, and 2000, followed by a small surplus in 2001 and growing surpluses through 2008. Continued good news about the economy and other factors that affect revenues and spending are responsible for the further improvement in the budget outlook since CBO's last baseline report in September 1997.

However, as CBO pointed out in its September report, there are three reasons to be cautious about the current bright outlook for the next 10 years. First, the economic and other assumptions underlying CBO's baseline could prove to be too opti-

mistic. For several years, the economy has performed better and budget outcomes have been more favorable than CBO and other forecasters anticipated. But the next few years could mirror the early 1990's, a period in which the economic and budget outlook sharply deteriorated. For example, a significant worsening of the Asian crisis could slow economic growth in the United States to a greater degree than CBO now expects.

Second, CBO's baseline projections assume that the Congress and the President will comply with the provisions of the Balanced Budget Act of 1997. The caps on discretionary spending called for by the act require that appropriations in 2002 be held to a level about 10 percent below the level needed to keep pace with anticipated inflation between now and 2002. Between 1990 and 1997, total discretionary spending dropped by 12 percent in real terms, with real increases in nondefense appropriations offset by substantial cuts in defense spending. Cuts of that kind are unlikely to be repeated in the coming years. Indeed, over the next five years, it seems inevitable that pressures for additional discretionary spending will arise, making it difficult to adhere to the budget agreement.

A third reason for caution is that a problem still looms beyond the 10-year horizon because of the retirement of the baby-boom population and the continued growth expected in the costs per beneficiary of federal health programs for the elderly. Legislation to constrain Social Security and Medicare spending to sustainable levels is required to prevent spiraling deficits in the next century.

Compounding the problem for policymakers, who must rely on specific budget projections, is the volatility of federal spending and revenues. As recent experience has vividly demonstrated, projecting federal revenues and spending accurately is a difficult job, even in the current fiscal year.

Recent CBO Estimates

Last year at this time, CBO estimated that the 1997 deficit would be \$124 billion. The actual deficit was only \$22 billion. Although that outcome was good news for the budget, budget estimators, including those at CBO, were surprised by the turn of events.

Three major factors contributed to the lower-than-estimated deficit in 1997. First, the economy performed much better than expected, raising the level of taxable income as measured by the government's national income and product accounts. Second, a soaring stock market also expanded the tax base through increased realizations of capital gains; moreover, a growing share of income was earned by people at the top of the income ladder who are taxed at higher rates. Those two factors led to revenues that were \$72 billion higher than CBO had estimated a year ago in January. Third, outlays were \$30 billion less than expected, primarily as a result of lower costs for a variety of entitlement programs.

Estimating errors as large as \$100 billion are unusual. But with total revenues and outlays each approaching \$1.7 trillion, small percentage deviations from the amounts projected at the beginning of the year can easily swing budgetary outcomes by tens of billions of dollars. An examination of the historical track record for both CBO and the Office of Management and Budget shows that a 2 percent error for both revenues and outlays is not uncommon.

We have made every effort to learn from last year's estimating mistakes, yet it seems inevitable, given the perils of projecting, that large errors will occur from time to time. However, we are taking steps to provide an early-warning mechanism that will signal when actual receipts and outlays are deviating from our estimates for the current fiscal year. In that regard, we are making public our analysis of the Daily and Monthly Treasury Statements, which appears in our Monthly Budget Review report.

CBO ON THE WORLD WIDE WEB

In response to requests for additional access to its information, CBO is now making its documents available on the World Wide Web (at <http://www.cbo.gov/>). Our Web site was launched in September following a year-long development effort. (The Web site replaces a gopher server that CBO has used since 1995 to distribute electronic versions of its published studies and reports.) CBO now offers four electronic file formats at its Web site and has expanded the types of documents it can make available.

In addition to published reports and studies, CBO is making all of its general work products available on the Web, including papers and memorandums, testimonies, unfunded mandates statements, and federal bill cost estimates, as well as special analyses such as the Monthly Budget Review and reports on the current status of discretionary appropriations. In the future, we hope to increase the usefulness of the site by offering appropriate data in spreadsheet format.

Our first priority for posting at our site is currently produced material. However, as time and resources permit, we are also including certain CBO publications issued before last September.

Work on the CBO Web site has been closely coordinated with the developers of the Legislative Information System (LIS) to ensure technical compatibility of Congressional systems and responsiveness to the needs of the Congress. The recent redesign of the cost estimates section of the site uses as its model the search interface of the LIS and Thomas Web sites. Additionally, we incorporated suggestions from the staffs of the budget committees that will allow them to design their searches to retrieve the cost estimate information they want most. Further, the site is equipped with a notification feature that alerts subscribers by E-mail when a document in their area of interest has been added to the site. At this time, more than 300 CBO documents are available on-line.

The response to the Web site has been quite positive, both from technicians, such as those developing the LIS, and from visitors, who find it easy to use. In terms of demand, we have received nearly 100,000 requests for information since September. Many of those requests come from civilian or military employees of the federal government, although most visitors to the site are from the private sector and educational institutions. We have also had numerous requests for information from users in countries around the world, including Japan, Canada, France, Germany, the United Kingdom, Sweden, Australia, the Netherlands, Belgium, and Italy.

FISCAL YEAR 1999 REQUEST

As I indicated previously, Mr. Chairman, CBO's fiscal year 1999 request is for \$25,938,000, an increase of 4.6 percent, or \$1.1 million, over our fiscal year 1998 appropriation. That request funds our staff ceiling of 232 full-time-equivalent positions. We are not asking for any additional positions. Specifically, our request includes the following:

- \$1,404,000 in pay and benefit increases, the major components of which are (a) \$606,000 for the annualization of fiscal year 1998 pay raises; (b) \$471,000 for a projected 3.1 percent employment cost index adjustment in January 1999; and (c) \$267,000 for merit increases (the increases are budgeted at 3.4 percent of base salaries, with 27 percent of the increases assumed to be offset by turnover savings, resulting in net costs of 2.4 percent of CBO's total pay base);
- \$62,000 in various price increases ranging from printing to ADP time-sharing; and
- a reduction of \$305,000 (13 percent) in spending for equipment, primarily ADP hardware and software, which would return such spending to its historical level after an increase of 14 percent in fiscal year 1998. The increase in 1998 resulted from the two ADP projects that triggered the reprogramming request recently approved by the Committee. The projects involve replacing the collection management system in the CBO library and completing the upgrade to our network wiring that was started by House Information Resources (HIR).

Personnel costs account for 85 percent of the total CBO budget. Nearly 96 percent of the \$1,466,000 in cost increases facing CBO in fiscal year 1999 are increases associated with pay and benefits. CBO has reduced other parts of its budget to absorb more than 20 percent of the increases, primarily by cutting spending for ADP equipment by one-third. At 8.1 percent of CBO's budget, ADP spending is at a historical low. Moreover, administrative expenses—6.5 percent of the total budget—are below their historical average.

Areas of Concern Surrounding CBO's Budget Request

Although CBO should be able to maintain its current workload with the funds requested here, the agency, as I noted earlier, confronts several uncertainties in fiscal year 1999. Principal among our concerns is our ability to offer the salaries and benefits needed to remain competitive in today's tight labor market.

The current job market compels CBO and other employers to worry about both the recruitment of new workers and the retention of current employees. CBO's staff includes economists and other quantitatively skilled professionals, all of whom are in particularly high demand. Newly minted economists now command surprisingly high salaries. Recruitment has become a time-consuming and frequently frustrating process as more and more often we lose qualified people to employers who can sometimes pay as much as 50 percent more in compensation.

Paralleling our recruitment activities is our need to retain current employees. CBO's reputation for high-quality analysis and budget work has made our experienced analysts the focus of other employers' recruiting efforts. As an example, in the past few months CBO has lost three of its managers to more senior and higher-paying positions. We are not suggesting that because of our turnover rates we de-

serve extraordinary consideration. Nevertheless, we operate under something of a disadvantage compared with other federal employers that can provide locality pay raises and lump-sum bonuses to attract and retain exceptional workers. Given those circumstances, we believe CBO's merit pay request for fiscal year 1999 is a critical element in our remaining competitive in the employment market.

A further concern for CBO is the uncertain costs associated with relocating important ADP systems. Currently, CBO relies on the mainframe computer of House Information Resources (HIR) to run its budget database applications. However, the HIR mainframe is slated to be retired, and CBO, along with other users, will have to make other arrangements. CBO uses the HIR mainframe for a variety of analytical work, but the applications related to our budget database are particularly critical for providing timely support to the House and Senate Budget and Appropriations Committees. We use such applications to track and analyze Presidential spending proposals and subsequent Congressional action. The HIR mainframe is the repository of the President's annual budget, CBO's baseline budget projections, numerous data sets used by the House and Senate Budget Committees in developing annual budget resolutions, and data sets that track appropriation and other spending bills along with associated CBO estimates of outlays.

HIR and its mainframe computer have provided excellent service, with the following attributes being of particular importance:

- Computer response time, for both interactive and batch turnaround, is very good.
- The computer is extremely reliable; it almost never goes down.
- HIR and CBO are in the same building, making it much easier to retrieve large reports quickly for delivery to the budget and appropriations committees as well as other Congressional clients.
- HIR has been helpful in expediting printing and in extending service hours during periods of heightened Congressional activity.
- HIR technical support staff are excellent and very responsive.

With the scheduled retirement of the HIR mainframe, CBO's challenge is to duplicate, as closely as possible with a new vendor, the service it currently receives from HIR. We believe we can accomplish that by moving our budget analysis applications to the same provider of mainframe services that the HIR Legislative Information Management System (LIMS) intends to use, and we are currently discussing the feasibility of that option with the House. In general, CBO believes that a mainframe computer provider serving both the House and CBO will be better able to ensure that we can continue to meet the special needs of the Congress. However, if for some reason CBO's computer applications cannot follow the remaining HIR mainframe work, we will seek the assistance of the HIR systems programming and communication staff to move our operations to another vendor.

We do not yet have a firm estimate of how much it will cost to evaluate our options for moving CBO's systems or to prepare for the transition; both types of costs are likely to occur in fiscal year 1999. Our request includes \$100,000 for those purposes, although that could prove to be a conservative estimate.

Finally, some Members of Congress have voiced the intent to expand the scope of the information that CBO provides under the Unfunded Mandates Reform Act of 1995 regarding the costs of private-sector mandates. We do not anticipate at this time that those increased duties will necessarily require additional resources or a further diversion of resources from our regular budget work. We would continue to do our best to provide the Congress with good mandates cost data, although in certain cases, some information may be slow in coming or less specific than might be desired.

Costs Associated with CBO's Web Site

Designing, developing, implementing, and maintaining a World Wide Web site requires a commitment of significant resources. CBO devotes two full-time employees to the operation, maintenance, and further development of the site, with other employees around the agency also contributing their time. In addition to those direct costs, CBO may soon face some indirect costs associated with the Web site.

It is unclear, for instance, how the increased availability of CBO documents in an electronic format will affect demand for paper copies of our products. It could cut demand, in the same way that more widespread availability of fax machines reduced the need for couriers. Or it could stimulate demand: by raising the visibility of the many different types of products available from CBO—which the Web site is likely to do—the demand for paper copies of those products could rise. That last effect has been the experience of the National Academy of Sciences. As we assess the impact of the Web site on demand for paper documents, we will continue to manage our printing and mailing costs very closely. Last year, we culled our mailing list signifi-

cantly, which should reduce both printing and mailing costs on a per-publication basis this year. Also, during this start-up period for the Web site, we can respond to any increase in demand for paper copies of our published reports and studies by asking the Government Printing Office to make more of them available for sale in its bookstores.

Operating a public Web site has made us more aware of the opportunities that Internet technologies afford for sharing information among different kinds of computers and systems. That capability can be particularly useful in an organization such as ours, in which the basic currency is information but the means used to produce it comprise a wide variety of computers and applications. Another attractive feature of the Internet technologies is the ability to standardize and share administrative information and functions electronically. We plan to begin assessing the value of a CBO Intranet this year.

Year 2000 Update

CBO, like other computer users, must make sure that its systems can accurately recognize and accommodate dates beyond 1999—the so-called Year 2000 problem. To that end, we have established a committee composed of representatives from all of CBO's divisions. Given the nature of CBO's work and its reliance on other agencies for its administrative support in such areas as personnel, payroll, and contracting, CBO's Year 2000 problem is small relative to that of other agencies. Nevertheless, 11 of our 39 computer systems are critical to our budgetary and analytical mission, and we are working to make the changeover as smooth and as trouble-free as possible. To date, four of the 11 mission-critical systems have been reprogrammed, six are awaiting assessment, and one is being repaired.

The Budget Analysis Data System, which runs on the HIR computer, is the largest of the four systems that have been reprogrammed. However, that work is still to be tested because the operating system of the HIR computer is not yet Year 2000 compliant. Once the HIR computer has been reprogrammed, we will begin testing to ensure that our systems are ready for operation under the new requirements. In the unlikely event that the systems fail those tests, we have contingency plans ready to prevent any interruption in the services we provide to the Congress.

In addition to the activities just noted, CBO has taken other steps to prepare for the coming transition. Beginning in fiscal year 1998, all of our purchase orders and contracts relating to hardware, software, and data have called for Year 2000 compliance. Our computer personnel have also tested all of our microcomputers to ensure their readiness, and those that were found not to be compliant have been repaired. We will also test any new computers that we receive and return any that fail such testing to the manufacturer. During fiscal year 1998, we plan to establish a Year 2000 testing facility for network-related hardware and software. Finally, CBO subscribes to the Gartner Group's Year 2000 service and will use that consulting resource during the Year 2000 transition period.

CBO's Response to the Committee's Directive on Financial Management

The Committee included language in last year's report encouraging all legislative branch entities to adopt the goals and objectives of the Legislative Branch Financial Managers Council, which was formed to promote effective financial management practices across the legislative branch. CBO has participated in the Council's activities since its inception, and we have recently adopted its statement of vision and goals. Accordingly, our budget request includes funds for preparing and issuing audited financial statements for fiscal year 1999.

CONCLUSION

Mr. Chairman, CBO is keenly aware of the Congress's intention to balance the budget and downsize the federal government, including the legislative branch. In response, CBO's recent budget requests have been quite modest, with requested increases usually being less than the projected rate of inflation. Our present proposal represents our best estimate of the amount necessary to maintain our budget at the current-services level. It is a prudent budget in which we absorb over 20 percent of our mandatory pay and benefit increases through reductions elsewhere. We believe, however, that our requested increase of 4.6 percent is necessary if we are to continue to serve the Congress in the manner it has come to expect.

ADDITIONAL COMMITTEE QUESTIONS

Question. In testimony you mentioned that CBO has experienced some problems in retaining and hiring qualified economists due to the tight labor market and

CBO's inability to remain competitive with salaries and benefits. However, there is no request for funds or legislative language to alleviate that problem. Is this a problem Congress needs to consider and if so, what are some of the possible options?

Answer. We believe that our having the authority to provide lump-sum bonuses for recruitment and retention would make CBO more competitive with other federal employers. But the House does not appear to agree.

In terms of pay and benefit privileges, according to our enabling legislation, CBO employees are treated as if they work for the House of Representatives. The House does not provide moving expenses for new employees, nor does it give lump-sum bonuses to its workers. We have requested lump-sum bonus authority in the past, but the House has not been disposed to make that change or to make an exception for CBO.

Salary compression is another problem. The annual salaries for CBO's Director and Deputy Director are tied to Executive Levels III and IV, respectively. As a result, our division directors are now paid more than the Deputy Director. The recent 2.3 percent pay raise awarded to Executive Schedule staff provided a small cushion, but federal salaries for senior managers and executives lag well behind private-sector pay for comparable positions.

Starting salaries for economists, especially in the fields of health and macro-economic analysis, are a further problem. The salaries offered to new Ph.D. economists in 1998, especially by consulting firms, are much higher than the salaries paid to comparably trained CBO staff with two or three years of experience. For example, Charles River Associates and the National Economic Research Association offer starting salaries of over \$90,000. Starting salaries at the Federal Reserve Board are in the \$70,000 to \$72,000 range. The top salary offered by the executive branch (GS-12, step 10) is \$61,190. We are offering salaries in the \$60,000 to \$65,000 range.

As our statement notes, the current job market compels CBO to worry about the recruitment of new workers as well as the retention of current employees. We would rather not propose a quick fix that might result in unintended, longer-term consequences. Pay inequities such as those described above can exacerbate turnover rates.

Question. How much do you estimate to be the cost of preparing and issuing audited financial statements for fiscal year 1999? Is this amount included in your budget request?

Answer. We have included \$30,000 for the audit of our fiscal year 1999 financial statements. That preliminary estimate is as low as it is because we assume that the audit will be done by the same accounting firm that audits the financial statements of the Library of Congress and that its testing of the financial management system we share with the Library will reduce the final cost.

Question. The House has decided to eliminate its mainframe computer by the year 2000. CBO relies on the House mainframe computer for its data processing systems and has included \$100,000 in its budget proposal to evaluate options and prepare for the transition. Has a decision been made as to when the HIR systems will be replaced and whether CBO will continue to run these critical applications on the replacement system? If this decision has not been made, why not?

Answer. The House has given us a response that makes the answer to your question subject to interpretation. At this time, we are uncertain about exactly what Chief Administrative Officer (CAO) Jay Eagen means by the following:

CBO'S use of the HIR mainframe computer for budget analysis.—HIR can provide technical assistance to CBO in following a systems development life cycle policy and procedures to ensure the most effective solution for your needs. HIR can also work with your staff to identify vendors who can assist in the relocation of your system and then provide technical information concerning your existing system to your vendor.

That same response (word for word) was given in answer to our request to use the House Information Resources (HIR) mainframe computer for statistical analysis.

The CAO may be saying that HIR will help CBO move its applications to the same location used by the Legislative Information Management System (LIMS). Our objective is to follow the LIMS, but currently we have no commitment for support from the CAO. If that commitment is not obtained, we may have to move our applications to a location different from where LIMS will ultimately reside.

Question. When do you expect to have a plan in place?

Answer. At this point we are dependent on HIR, which is apparently waiting for the House Inspector General to issue the report of a study performed by Price Waterhouse on the future of the HIR mainframe computer. Before devising a plan, we would need to clarify the CAO's response; then, assuming that we are permitted to follow LIMS, we would need to review the Inspector General's report. However,

we believe it is necessary to decide soon about whether we should count on following LIMS or develop a plan to strike out on our own.

Question. Is it realistic to think that \$100,000 will be adequate to resolve this problem in fiscal year 1999—waiting until the fiscal year 2000 budget to request the funds necessary to implement the change would leave only 3 months for installation of a new system before Jan. 1, 2000.

Answer. If CBO's applications can follow LIMS and we receive support from HIR staff, then \$100,000 should be enough. However, if we must hire a vendor to assist us in moving our systems, then no matter where they are moved, \$100,000 will be too small a sum. If we cannot follow the LIMS migration and are left to obtain our own service outside of a House contract, we expect to see an adverse impact on our future budget requests.

As you note, waiting until fiscal year 2000 to implement another plan would not leave us enough time. This decision must be made in the very near future—certainly during this fiscal year.

Question. CBO has expanded the use of its Web site to include testimony, cost estimates, and reports. Obviously there is an increased cost associated with this function. Does CBO publish everything it produces on its Web site? If not, what is the criteria for whether an item will be posted?

Answer. Our first priority for posting on our site is all general work products as they are released. As time and resources permit, we are also including certain CBO publications issued before the Web site was activated, as well as expanding the available file formats in order to post spreadsheets, where appropriate. Although the response to our Web site has been quite positive thus far and we have received nearly 100,000 requests for information since September, it is not yet clear whether the demand for printed copies of our publications will drop.

The growing use of the Internet as both a source of and distribution tool for information has affected our budget primarily through the purchase of the hardware, telecommunications services, software, and Web development expertise needed to establish and maintain our link to the network.

Question. Your testimony notes that you plan to assess the value of a CBO Intranet this year. What type of functions do you envision the Intranet serving?

Answer. CBO plans to move existing systems—some of which are automated, some manual, but all of which are antiquated—to the Web-based Intranet technology. For example, CBO currently tracks its incoming correspondence using an old microcomputer database program; that correspondence-monitoring system would eventually be moved to the CBO Intranet. In the process, the system would be enhanced to meet new requirements that have emerged since the original system was developed and to exploit features offered by the newer technology. Another example is the way CBO currently satisfies internal requests for administrative support. Under the present system, requests for support are made via phone or E-mail to the unit within CBO that is responsible for providing the requested goods or services. With an agencywide Intranet application, CBO users could use their computers and a standard interface (an Internet browser) to request service. The system would determine who should receive the work order and would automatically provide internal management controls such as notifying the responsible manager when a request was made and tracking its fulfillment (including who does it and how long it takes). The system would also provide a real-time summary of requests; in addition, aging reports would be available to identify any outstanding requests that had not been completed. All of that information could be requested by authorized CBO personnel through the CBO Intranet. Yet another planned application is the redesign and relocation of the CBO project information control system, which is currently a mainframe-based system. There are other applications, internal to individual divisions, that are also envisioned for the CBO Intranet.

CBO has established an internal World Wide Web steering committee with representatives from all divisions within the organization. All requests for Internet or Intranet applications must be presented to and approved by the committee before any development activity begins.

Question. Does CBO have a plan to make its systems year 2000 compliant?

Answer. CBO does have a plan to make those of our systems that are under our direct control Year 2000 compliant. Some portions of that plan have been presented verbally to the General Accounting Office (GAO), and some have been provided in writing. The plan is currently in a format that is more informal than the one prescribed by GAO in its Year 2000 Computing Crisis: An Assessment Guide. Moreover, we have not carried out all of the recommended Year 2000 activities outlined in the guide. Because of the nature of CBO's information systems and the agency's small size, we do not currently have the resources nor do we feel it necessary to produce the same response expected of a larger agency.

Many of our important systems operate by means of interagency and commercial computing resources. For example, our Budget Analysis Data System runs on the House Information Resources computer, our payroll and personnel systems are handled by the National Finance Center, and our financial management system runs on a Library of Congress computer. We have other systems that rely on proprietary data models provided by commercial vendors. To the extent that we can influence the Year 2000 compliance issue through contracting language, we have done so. We also plan to send letters of inquiry to all interagency and commercial vendors concerning their Year 2000 status and plans, which we will monitor. On the one hand, we have little control in the final analysis over whether those systems will or will not be Year 2000 compliant. On the other hand, we have contingency plans for some of those systems that will be activated if necessary. For the other systems, such as payroll, personnel, and financial management, we are forced to rely on the service agency. For the systems that are within our control, we have developed compliance plans, some of which were addressed in our hearing statement.

Question. What is the strategy for testing renovated systems for compliance?

Answer. We plan to simulate the year 2000 by advancing the system clock; we will then run the software on a program-by-program basis. However, until HIR supports an operating system platform that is Year 2000 compliant, we are unable to test those of our renovated programs that require that computing resource.

Question. How many data interfaces does CBO have with external organizations? Describe how CBO is working with those organizations to develop mutually agreed-to data formats for exchanging information after Jan. 1, 2000.

Answer. Current CBO systems exchange data with the following interagency organizations: HIR, the House Appropriations Committee, the National Finance Center, the Library of Congress, the Treasury, the Office of Management and Budget (OMB), and the Census Bureau. Of those systems, only the OMB and HIR systems are critical to CBO's mission. The OMB interface currently allows for a four-digit year, and the HIR interface has been renovated and awaits testing.

Although CBO has many data interfaces with commercial vendors, only three are mission critical: Haver Analytics, General Electric Data Services, and Data Resources Incorporated. We believe those systems are Year 2000 compliant already because they provide economic forecasting data beyond 2000.

CBO is also a member of the Legislative Year 2000 Committee sponsored by the House and Senate. The committee identifies and monitors Congressional systems that interact and share information for the purpose of determining whether they need Year 2000 renovation.

We are satisfied that no changes are needed in the data format. We have included Year 2000 language in our contract renewals that make compliance a condition of the contract.

Question. What is your estimated total cost to address the year 2000 problem?

Answer. We have no accurate estimate at this time, given the uncertainty of the HIR mainframe relocation and whether we will follow LIMS with HIR assistance.

Question. What has been spent to date?

Answer. To date, we have spent funds only for personnel. But we have budgeted \$180,000 to replace our library collection management system during fiscal year 1998.

Question. What is requested in your fiscal year 1999 budget?

Answer. We are not requesting separate funds for Year 2000 activities at this time. However, we have asked for \$100,000 for the mainframe conversion, and some of that effort will include Year 2000 activities.

Question. What is your cost estimate beyond fiscal year 1999?

Answer. Given the uncertainty surrounding the move of our key mission-critical system, which currently runs on the HIR mainframe computer, we have no estimate beyond fiscal year 1999 at this time. The decision regarding our request to follow the House Legislative Information Management System will strongly influence that matter. If CBO must obtain vendor support to move its mainframe systems and cannot benefit from HIR's work in the Year 2000 area, additional funds will certainly be necessary.

Question. When will CBO publish the reestimate of the President's budget?

Answer. The projected release date for CBO's analysis of the President's budget is March 31, 1998. A preliminary report of our analysis was released on March 4.

QUESTIONS SUBMITTED BY SENATOR BYRON DORGAN

Question. Dr. O'Neill, would you explain to the subcommittee what is meant by dynamic scoring and to what extent CBO does it now?

Answer. The term “dynamic scoring” has several interpretations. Many people mistakenly believe that estimates prepared for the Congress of the budgetary effects of spending or tax proposals do not take into account the changes in behavior that could result from passage of those proposals. In fact, all Congressionally mandated budget estimates—whether the spending estimates required of CBO or the estimates of receipts prepared by the Joint Committee on Taxation—employ the same basic estimating conventions. Such conventions incorporate assumptions about how changes in taxation or government spending might change individual behavior in response to new economic incentives.

Those behavioral and other estimating assumptions cover a wide variety of microeconomic effects and reflect the best available research and estimating methods. For example, the estimate for a proposal to subsidize health insurance for early retirees would include the additional costs that would result from the likely increase in the number of early retirees. Similarly, the estimate for a proposal to increase the excise tax on tobacco products would take into account the resulting decrease in cigarette consumption.

In most instances, the estimating conventions used in producing cost estimates of bills are not controversial. However, questions may arise in two types of situations. First, estimators sometimes disagree about the magnitude of microeconomic responses, such as the extent to which an increase in excise taxes would reduce consumption. Second, some proposed legislation could give rise to macroeconomic effects, which are not included in routine cost estimates. That is, a major tax or spending measure might affect saving, investment, or work effort and thus affect the potential growth rate of the economy. In that sense, critics sometimes argue that the assumptions used for budget estimates are not dynamic enough.

Although estimating the effect of proposed legislation on the macroeconomy may appear desirable, it is impractical, particularly for routine bill cost estimates, for a number of reasons. In some cases, little or no research may be available on which to base an estimate. In other instances, even when research bearing on a topic is available, economists disagree so much about the magnitude of macroeconomic effects that no single estimate can be meaningfully treated as a consensus. In addition, CBO often lacks sufficient time and resources to produce the complex estimates required. And finally, long-run changes in macroeconomic variables could be invisibly small in the five- or 10-year period used for budget estimates, even if they were likely to be significant in later years. In consequence, routinely incorporating macroeconomic effects into budget estimates would create considerable uncertainty and possibly endless controversy.

CBO has, however, provided information about the possible macroeconomic effects of major legislation in a number of its analytical studies. Those studies were feasible because an extensive economics literature was available for reference and because CBO had sufficient time and resources for proper analysis. Moreover, unlike bill cost estimates, studies allow for a range of results. For example, CBO included an analysis of the macroeconomic effects of the 1997 budget reconciliation package in the updated economic and budget outlook published last September. Last year, CBO also published a study of the possible economic effects of comprehensive tax reform. In addition, the budget resolution for fiscal year 1998 incorporated assumptions made by CBO on the macroeconomic effects of balancing the budget. That produced a so-called fiscal dividend that reduced the magnitude of the policy changes needed to reach budgetary balance.

Question. You mentioned in your prepared statement that some Members of Congress have proposed expanding certain provisions of the Unfunded Mandates Reform Act. Would you describe some of these proposals and tell us which ones might have an impact on your budget.

Answer. The proposal that has garnered the most attention is S. 389, the Mandates Information Act of 1997 (sponsored by Senator Abraham and others). S. 389 would set new procedural constraints for private-sector mandates and direct CBO to provide additional types of cost information about those mandates. Specifically, for any private-sector mandate with estimated costs above the threshold of \$100 million a year (in 1996 dollars, adjusted annually for inflation), CBO would be required to analyze the impact on consumers, workers, and small businesses, including any disproportionate impact on particular regions and industries. The analysis would cover the effects on consumer prices, workers' wages and benefits, employment opportunities, and the profitability of small businesses.

In previous testimony, we have indicated that we do not expect those increased duties from S. 389 to necessarily require additional resources or a further diversion of resources from our budget work. Some other bills, however, could pose a more significant burden.

H.R. 2591, the Regulatory Accountability Act of 1997 (proposed by Congressman Lamar Smith and others), would impose significant new duties on CBO to prepare regulatory cost analyses. That bill would expand the Unfunded Mandates Reform Act in three important ways: by broadening the definition of costs to include "social, environmental and economic" costs; by including indirect effects of private-sector mandates; and by requiring cost analyses of existing rules and regulations when legislation is reauthorized. CBO could not fulfill those requirements without sustaining substantial damage to its primary functions. In fact, it is not an exaggeration to say that meeting those requirements might be an impossible task, particularly considering the short time frame that characterizes most legislation.

In addition, the following bills could have relatively minor effects on CBO:

H.R. 1704, to establish a Congressional Office of Regulatory Analysis, would allow the director of the proposed office to obtain information from CBO and to utilize CBO's "services, facilities, and personnel with or without reimbursement."

H.R. 62, the Unfunded Federal Mandates Relief Act of 1997 (introduced by Congressman Herger), would require CBO to prepare an annual report estimating the total amount of additional costs that state and local governments would incur as a result of regulations promulgated during the previous year.

H.R. 2708, to provide a framework in which the legislative and executive branches could consider unilateral economic sanctions (introduced by Congressman Hamilton and others), would identify a bill that imposed such sanctions on a foreign country as a private-sector mandate and require CBO to analyze the likely short-term and long-term costs to the U.S. economy from those sanctions.

SUBCOMMITTEE RECESS

Senator BENNETT. Thank you very much, Dr. O'Neill, for your testimony.

At this time, if there is no further business to come before the subcommittee, the hearing is recessed.

[Whereupon, at 12:33 p.m., Thursday, February 26, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1999

THURSDAY, MARCH 12, 1998

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:39 a.m., in room SD-116, Dirksen Senate Office Building, Hon. Robert F. Bennett (chairman) presiding.

Present: Senators Bennett and Dorgan.

JOINT ECONOMIC COMMITTEE

**STATEMENT OF HON. JIM SAXTON, CHAIRMAN
ACCOMPANIED BY CHRIS FRENZE, EXECUTIVE DIRECTOR**

OPENING STATEMENT OF HON. ROBERT F. BENNETT

Senator BENNETT. The subcommittee will come to order. I apologize for being tardy. You are not interested in my explanations but you should get my apologies.

This morning we are going to hear from the joint committees, the Sergeant at Arms of the U.S. Senate, the Library of Congress, the Congressional Research Service, and the Office of Compliance, so we have a fairly full schedule ahead of us.

I want to highlight for the agencies testifying today my particular interest in the year 2000 problem. Those who follow my activities are discovering that this is something of a broken record with me, but I am convinced that this is a very serious challenge not only for the Government but for the economy as a whole.

The majority leader has asked me to take the lead in seeing to it that both the legislative and executive branch agencies are prepared for this challenge and I will use this forum and any other that I can appropriately get to respond to that task from Senator Lott.

Now, our first witness this morning is Hon. Jim Saxton, chairman of the Joint Economic Committee, and he will be followed by Hon. John Warner, chairman of the Joint Committee on Printing, and I appreciate the attendance of both of our colleagues here.

Senator DORGAN, do you have any opening comments?

Senator DORGAN. Mr. Chairman, I do not have an opening comment. Let us hear from the witnesses. I am pleased that we are holding the hearing today, and we have some interesting statements, so let us get on with it.

Senator BENNETT. Thank you.

Congressman Saxton, we welcome you, and appreciate you coming across the Capitol to testify. I should say that when he arrives our third witness will be Senator Bill Roth, who is chairman of the Joint Committee on Taxation.

Congressman Saxton, we appreciate you being here and look forward to your comments.

MR. SAXTON'S OPENING STATEMENT

Mr. SAXTON. Thank you, Mr. Chairman, and Senator Dorgan. I am pleased to be here today to bring you up to date on our activities, and to talk for just a minute about our budget request for the next fiscal year.

In light of the fact that Senator Warner is here and it sounds like you have a busy schedule, I will ask unanimous consent that my entire statement be placed in the record and just say a couple of things.

Senator BENNETT. Without objection, it will be inserted.

Mr. SAXTON. The budget request this year will enable the Joint Economic Committee to continue its mission of providing quality research and policy analysis for the Congress as well as for the public. The committee has been very, very productive, and we are naturally pleased that the Joint Economic Committee research projects and hearings have been well-received.

The Joint Economic Committee's research and activities have been cited in the New York Times, the Financial Times, the Wall Street Journal, the Washington Post and Time magazine, among other publications. Over the last 12 months the Joint Economic Committee has been busy. We have released more than 25 studies and reports, and we have held 17 hearings. The JEC studies covered a variety of topics, including taxation, the budget, monetary policy and other issues such as the IMF, with which we are currently very much engaged.

The research program of the committee was designed to ensure that these studies provide useful information related to the policy issues before Congress.

Mr. Chairman, I will just leave the rest of my statement for the record, and just say that the recent history of the funding of the JEC has been interesting and, perhaps, in some respects unique.

In fiscal year 1995 we had a total budget of just over \$4 million. By 1996, the total budget that we had to operate with was about \$3 million. We took an additional \$250,000 reduction in fiscal year 1997, and have been steady through fiscal year 1998.

PREPARED STATEMENT

This year, we are asking for a small increase of \$46,000 to keep pace with inflation, that is about 1.6 percent.

[The statement follows:]

PREPARED STATEMENT OF CHAIRMAN JIM SAXTON

Mr. Chairman and Members of the Subcommittee, it is a pleasure to present my strong support for the fiscal year 1999 budget request of the Joint Economic Committee (JEC).

This budget request will enable the JEC to continue its mission of providing quality research and policy analysis for the Congress and the public. The goals of maxi-

mum efficiency, quality, and productivity have guided the Committee in meeting resource constraints and managing Committee functions and procedures.

As a result, the Committee has been very productive, and we are naturally pleased that JEC research products and hearings have been well received. JEC research and activities have been cited in *The New York Times*, *The Financial Times*, *The Wall Street Journal*, *The Washington Post*, *Time* and many other publications.

Over the last 12 months, the JEC released more than 25 studies and reports and held 17 hearings. These JEC studies covered a variety of topics including taxation, budget, monetary policy, and other issues. The research program of the Committee was designed to ensure that these studies provided useful information related to the policy issues before Congress.

A number of JEC studies have analyzed various tax issues from an economic perspective. This series of tax papers has examined the economic criteria that should guide tax policy, and applied them to specific tax issues before Congress. For example, several studies examined the taxation of personal saving and capital gains, and how this might be affected by proposed changes in tax law. The JEC also recreated a Treasury Department data base to show in a more complete way its measurement of distributional effects under the 1997 tax law. Another JEC study analyzed the economic effects of broad versus narrowly targeted tax incentive policies.

A special research program in monetary policy generated six studies on various issues related to maintaining low inflation and low interest rates. In brief, this research found that the thrust of Federal Reserve monetary policy in recent years has been to bring inflation and interest rates down, improving the operation of the price system, and sustaining the economic expansion and its associated employment gains. This research also suggested consideration of inflation targeting, a procedure used formally by several central banks in other nations. In testimony before the JEC last fall, Chairman Greenspan indicated that he agreed that this was essentially the approach used by the Federal Reserve in recent years, and that he was sympathetic with legislation that provides for inflation targeting.

In recent months, the JEC has examined the complicated issues associated with the financial problems in Asia and the efforts of the International Monetary Fund (IMF) to contain them. In recent weeks, the JEC held a hearing on IMF financing, and also issued a study on this subject. Our research concludes that the IMF should become more open and should discontinue its practice of subsidizing its loans with below market interest rates.

We have planned an aggressive research agenda for 1998 that builds on our 1997 research program. Several new studies on various tax issues are under preparation, as are new studies on monetary policy, regulation, and the impact of government on the economy. The need for quality information and policy analysis in the years ahead will continue to require adequate funding of the Joint Economic Committee.

Thank you.

YEAR 2000 ISSUE

Senator BENNETT. Thank you.

I talked about the year 2000 issue. Have you looked into your computers and have a feel for how compliant your committee may be with respect to year 2000 issues?

Mr. SAXTON. Let me say, Mr. Chairman, that Mr. Chris Frenze is with me. He is the executive director of the committee, and let me just ask, if it is all right with you—

Senator BENNETT. Surely.

Mr. SAXTON [continuing]. If he might respond to that question.

Mr. FRENZE. We have been contacted by some of the same people who likely have contacted you about this. Our own internal computer system has some of the same problems that other congressional entities have.

I would suggest that the committee, in the next Congress, would be an ideal forum for looking into the larger economic impacts of this problem as we lead up to the year 2000.

Senator BENNETT. That was going to be my next comment. Experts that have appeared before my subcommittee on banking, where we are focusing primarily on financial systems, have told us

that there is approaching a 50–50 chance that the year 2000 problem will trigger a worldwide recession.

It would seem to me that the Joint Economic Committee is concerned with economic trends in the business cycle should be paying some attention to this, so I will use this opportunity to put in a plug for that kind of a hearing and assure you that if it takes place I will be there.

I appreciate serving on that committee. It has been one of the more interesting challenges I have had since I have come to the Senate.

Senator Dorgan, do you have any questions?

STAFFING LEVEL

Senator DORGAN. Just a quick question. What is the current staffing level on the Joint Economic Committee?

Mr. FRENZE. The amount of slots that we have informally allocated from the House Appropriations Committee is about 38. My understanding is the accounting system is a little different in terms of the way the Senate views the staffing issue, but 38 staff slots reflect a significant reduction from about 50 just a few years ago. As with all committees, the staff goes up and down, and right now it is around 30, committee-wide.

Senator DORGAN. All right. Thank you.

Senator BENNETT. I understand you have an aggressive research agenda for this year, Mr. Chairman. Studies on tax issues, monetary policy, regulation, impact of the Government on the economy. As I say, I would hope you would add to that a hearing on the year 2000 situation.

Mr. SAXTON. We will be happy to do that. It is obviously a very important issue which, as you suggest, has all kinds of implications for the economy. It is something that we are certainly willing to look at, in which we would like to be a partner. We will be happy both to take the lead on the House side if you think that is appropriate, and to work through this with you beginning this year.

Senator BENNETT. Very good.

Senator DORGAN. Let me just ask one additional question, if I might. I, too, served on the committee some years ago, and I got the feeling—I do not know what it is now, but I got the feeling at one point in time that the committee staff kind of divided into two camps and were putting out competing different studies and results to serve partisan ends on both sides.

Has that abated some? Because the committee in years past used to be a very respected committee that was very bipartisan, and I think it changed some some years ago. What is the situation there now?

Mr. SAXTON. I think the fact that you asked that question, suggests that you have probably noticed that we have tried to make it a more bipartisan effort. There is no question that there are differences of opinion on economic issues, and those differences of opinion manifest themselves from time to time, but by and large the tone of the committee has been much more bipartisan.

I cannot think of a time this year when we had rancor in the ranks of the committee, in either public hearings or in private. We work well together with Members of both parties and, as I said,

have from time to time expressed different opinions on economic matters, but we do it in as good-natured and as bipartisan a way as is possible.

Senator DORGAN. Well, I think that is helpful. I think it is an important committee and an important forum in which to evaluate some very difficult economic issues, and I think the tradition over many years has been that Congress in a bipartisan way sinks their teeth into these things and tries to get the best analysis possible, and I kind of regretted there was a period of time, probably rather short period, in which it kind of became a ping pong ball back and forth for partisan purposes.

But I appreciate your answer, and you are right, the reason I asked the question is I have not heard much in that respect recently, and I think that is good news.

Thank you very much.

Mr. FRENZE. I would like to add that our research agenda is very carefully designed to avoid any conflicts of that kind. If you look at our reports you will see—you may not agree with what we are saying, but it is presented in a nonpartisan way.

We are focusing on economics, not on politics at the committee. Just yesterday a JEC report was released that was co-released by two Democratic and two Republican Senators, and one House Member, the majority leader of the House, Mr. Armey, with Congressman Moran also participating. That is the kind of thing that we are trying to do.

Senator DORGAN. Well, the Asian financial crisis and the uncertainty that it provides for our economy and a range of things like that represent the reasons I think we ought to have a committee of this type, so I am glad to hear your response and wish you well.

Senator BENNETT. I can comment that when I went on the committee as a freshman Senator 5 years ago I was a little bit stunned and appalled at the shouting matches that went on both publicly and privately when we met as members of the committee to discuss committee administration.

I will say that it was all confined to the House side. [Laughter.]

I did not notice any Senators yelling at each other, but there were calls for abolition of the committee if the chairman did not change his position and responses in kind, and since some of the leadership has moved on to other challenges at least in the period that Congressman Saxton and before him Senator Mack have presided over the committee there has been a serious diminution in that kind of activity, and I for one welcome it tremendously. I appreciate your raising it.

Senator DORGAN. Thank you.

Senator BENNETT. Mr. Chairman, thank you very much for coming. We appreciate your request. We appreciate your responsibility in holding the line on the budget. You set a good example for the other committees with which we deal.

Mr. SAXTON. Thank you very much.

Senator BENNETT. Thank you.

JOINT COMMITTEE ON PRINTING

STATEMENT OF HON. JOHN WARNER, CHAIRMAN

ACCOMPANIED BY ERIC PETERSON, STAFF DIRECTOR

Senator BENNETT. Chairman Warner.

Senator WARNER. Thank you, Mr. Chairman. Your wonderful staff instructed me to submit my testimony and answer one question. The answer to the question is, I hope in a few weeks we will be able to.

Senator BENNETT. We would not instruct you to do anything, Mr. Chairman. We would respectfully request.

Senator WARNER. You see that picture on the wall behind you? I have had to deal with him for 19 years, a little longer than you. Why is it your witnesses sit down on the floor so that they can barely look over the table? Did we not give you some good chairs for this room? [Laughter.]

Senator DORGAN. Mr. Chairman, it was a fast shutter that caught him smiling. [Laughter.]

He is a good guy, but that is an unusual pose. [Laughter.]

Senator BENNETT. I will not comment on any of this.

Senator WARNER. You should have been with us last night to finish up the highway bill. Oh, boy. That is about it.

This is Mr. Peterson, our wonderful staff director, and we are moving to disestablish the committee. It has been in existence a long time. How long has it been in existence?

Mr. PETERSON. Over 150 years.

PREPARED STATEMENT

Senator WARNER. Oh, really, over 150 years, so a little progress is being made. Title 44, I hope we will be able to move that. My distinguished ranking member, Senator Ford, indicates that he is working through some problems on his side. We do not have any problems on our side, so there she be.

[The statement follows:]

PREPARED STATEMENT OF SENATOR JOHN WARNER

Mr. Chairman and members of the Subcommittee on Legislative Branch Appropriations, thank you for the opportunity to present testimony on behalf of the Joint Committee on Printing.

Last year, when I came before this committee, I outlined four key initiatives the Joint Committee would undertake. Those initiatives included:

- Improved compliance by Executive Branch agencies with Title 44 of the U.S. Code;
- The development and implementation of a standard generalized markup language to facilitate electronic creation and retrieval of legislative information and documents;
- An accommodation on a privatization study requested by this subcommittee from the Government Printing Office; and,
- The writing of legislation to reform Title 44.

Today, I am pleased to inform you that real progress has been made on each of these initiatives. By the end of my tenure as chairman of the Joint Committee on Printing, I am confident that all these initiatives will be complete.

As part of the effort to reform Title 44, the Committee has devoted much attention to preparing the Government Printing Office (GPO) for the day when there will be no Joint Committee on Printing to oversee GPO operations, or to run interference for the agency with its customers and potential customers.

The management review, which was ordered in GPO's fiscal year 1998 appropriation, is an important part of this transition. On behalf of the members of the Joint Committee, thank you for your support of that important undertaking.

I believe that when the General Accounting Office and its contractor complete their work, the GPO will have a sound plan which will enable it to successfully operate in a business-like fashion, providing for the printing needs of Congress, procuring publishing services for Executive and Judiciary branch agencies, and assuring permanent public access to the Government's publications.

Over the past year, the staff of the Committee, working closely with the staff of the Senate Committee on Rules and Administration, has labored to craft a proposal reforming Title 44. As advertised from the outset, this effort has been a consensus building process in which all interested parties have been invited to participate.

With much patience and determination, the staff has listened carefully to the suggestions, comments and concerns of all who sought input. As a result, a solid, workable proposal which offers something for everyone concerned has been developed.

The measure will solve the Constitutional issue of separation of powers raised by the Justice Department.

It will provide a transition to enable the government to take full advantage of the rapid evolution in electronic publishing and dissemination technology.

It will ensure that the Government's publications are produced and disseminated in the most cost effective manner possible, placing heavy emphasis on giving the private sector full and fair opportunity to compete for the government's printing and publishing needs.

And it will ensure that the Government's publications continue to be permanently accessible to the American public.

It is my hope that in the next few weeks this proposal will be unveiled. Following a hearing, markup, and Senate passage, and consideration and passage in the House of Representatives, I have confidence the President will sign this reform measure into law.

The Congress has a unique opportunity to complete the work of hundreds—if not thousands—of people who, for at least three decades, have labored to reform Title 44. With good will and honest intentions, I believe the job will be done this year.

Senator BENNETT. We appreciate your desire. Do you have any questions, Senator Dorgan?

Senator DORGAN. No; whatever works for the Senator works for me. He is one of the more distinguished Members of our body, and we are pleased by the numbers we see in the request. It is a very responsible budget request. We are very pleased with it.

Senator WARNER. Hopefully, we can return it all back.

TITLE 44

Senator BENNETT. It is my understand that you plan to introduce your bill to revise title 44 in a couple of weeks?

Senator WARNER. Yes, that is correct, Mr. Chairman.

Senator BENNETT. That is the one question we were focusing on. Thank you very much.

Senator WARNER. Thank you, and I thank your staff for working with us in preparation for this hearing.

Senator BENNETT. Your full statement will be included in the record.

Senator WARNER. Thank you. We will all stand, salute, and depart. [Laughter.]

Senator BENNETT. With Senator Warner's unsenatorial dispatch we have not eaten up the time that would normally keep us occupied until Senator Roth appears.

Senator DORGAN. Let us skip ahead. What do you think?

Senator BENNETT. Shall we move ahead to the Sergeant at Arms, with the understanding that when Senator Roth appears you would give way to the distinguished chairman of the Joint Committee on Taxation, not to mention the chairman of the Senate Finance Committee.

U.S. SENATE

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

STATEMENT OF GREGORY S. CASEY, SERGEANT AT ARMS AND DOORKEEPER

ACCOMPANIED BY LARRY HARRIS, ADMINISTRATIVE ASSISTANT

SUMMARY STATEMENT

Senator BENNETT. Our next witness is Hon. Greg Casey, Sergeant at Arms of the U.S. Senate.

Mr. Casey has been very busy this year reorganizing his operation, like everything else it needs to be reorganized from time to time and brought up to date. This is not a criticism of past Sergeants at Arms, but Mr. Casey has been very vigorous in accepting the responsibility that comes with this position, and we are grateful to him.

Mr. Casey, I understand you found some additional savings in your budget. This is always good news, and we look forward to hearing from any witness who thinks he can help save the Senate some money.

Senator Dorgan, do you have any comment, or should we go directly to Mr. Casey's statement?

Senator DORGAN. Why don't we proceed to the testimony.

Mr. CASEY. Thank you, Mr. Chairman. I have a very brief statement that I will make even briefer. You are correct that we have been working over the last year to basically enact what we told you we were going to do last year. As I said last year, we had about 20 years' worth of consultant reports saying we had to change things. We appeared here last year and told you what we intended to do to make that change. I am very pleased to be able to come before you today and tell you that the reorganization of the Sergeant at Arms office is complete. We think what we have structured now is going to be able to provide excellent customer service, the kind of support that we need for our mission-critical systems we will talk about in a moment, and to assure you that these systems are secure from threat, available on demand, and year 2000 compliant.

Senator BENNETT. Very good.

Mr. CASEY. It is worth remembering, though, that we are building this reorganization on three basic management principles. One is, understand our customer needs and keep in touch with those expectations, two, develop and maintain a motivated and skilled work force, and three, use best management practices and rigorously evaluate what we do against those beset management practices.

To do the first, which is dealing with our customers, we have developed a customer relations department which is now in place,

which provides a single point of contact for all services and products that the Sergeant at Arms provides.

We have an ongoing quality assurance council comprised of representatives from Member offices, committees, and other support units here in the Senate. Their job is to make sure we continually improve. We have a reinvigorated human resource operation to provide management training. We have pay, performance, retention, and recruitment programs for our employees, while we are still meeting the rather rigorous standards of the Accountability Act.

To do the third, which is the management part, evaluation part, we are migrating some of our financial operations, as you know, to the Secretary of the Senate in his role as the chief financial officer, and we are converting our financial operations office into a management review office.

This is a project tracking activity report that we are trying to get out quarterly. Obviously, one of the major functions of our management office is to make sure that you get the kind of information on tracking our projects and the expenditures of our dollars on a quarterly basis. That is helpful to you. It is also helpful to us in managing this operation.

During the course of last year, we have actually consolidated our operations division and eliminated a lot of duplication of services. That is where some of that \$3 million in our reduced budget comes from. We have added two new departments, however. We have added the office of project management, which adds a new discipline to the way in which we actually manage projects up here in the Senate, and the office of the systems architect.

It is that systems architect's job to make sure that the technology infrastructure of the Senate remains visionary, not only with an eye to what we have to accomplish today, but to try to get us on the cutting edge for what we have to do in the decade to come.

We are also pursuing and trying to finish the joint office of education and training.

As we discussed here last year, one of our primary objectives is to try to invest in our human resource, something we have not done as good a job as we should have. That is what part of this education and training program is all about.

We have also been tasked as part of the ongoing strategic plan with the accomplishment of four goals.

Mr. CASEY. As part of that strategic plan—I will not go into those in great detail—we did have——

Senator BENNETT. Can we interrupt here and come back to you Mr. Casey? This is an appropriate time. Senator Roth has just come in and we want to accommodate his schedule, so we will suspend the Sergeant at Arms presentation and go to the Joint Committee on Taxation.

JOINT COMMITTEE ON TAXATION

STATEMENT OF HON. WILLIAM V. ROTH, JR., CHAIRMAN

ACCOMPANIED BY:

LINDY PAULL, CHIEF OF STAFF

MARY SCHMITT, DEPUTY CHIEF OF STAFF, LAW

BERNIE SCHMITT, DEPUTY CHIEF OF STAFF, REVENUE ANALYSIS

MICHAEL BOREN, ADMINISTRATIVE ASSISTANT

Senator BENNETT. We welcome the distinguished chairman of that committee, the chairman of the Senate Finance Committee, Senator Roth from Delaware.

Senator ROTH. Thank you very much, Mr. Chairman and Senator Dorgan. I appreciate the opportunity to appear today before this Subcommittee on the Legislative Branch on behalf of the fiscal year 1999 appropriation request for the Joint Committee on Taxation.

Congressman Bill Archer and I submitted a written statement, and I ask that this statement be made a part of the record.

Senator BENNETT. Without objection, it will be part of the record.

Senator ROTH. Mr. Chairman, the operations of the Joint Committee on Taxation are vital to the tax legislative process. For example, the Joint Committee staff played a critical role last year to help the Congress enact the Taxpayer Relief Act of 1997, which began the process of returning to the American people some of their hard-earned dollars.

This tax bill, which provided the biggest tax cut Americans received in 16 years, included such major tax benefits as the child tax credit, the opportunity to save for retirement in tax-deferred IRA's, significant education tax incentives, relief from confiscatory estate and gift taxes for small businesses and family farms, as well as substantial reductions on capital gains.

During 1997, the Joint Committee staff prepared more than 2,000 revenue estimates in response to Member requests and in connection with committee markups drafted 14 committee and conference reports, drafted 8 tax treaty executive reports, published 92 documents made available to the Congress and the general public, as well as reviewed the work of the IRS on more than 600 large income tax refund and 64 large deficiency cases.

During 1998, the Joint Committee staff will be front and center on our efforts to reform and restructure the IRS.

The Joint Committee staff has also been devoting significant resources to analyzing the various proposals to restructure the Federal tax system and will take a lead role in providing assistance to the Congress as we consider fundamental tax reform, hopefully, in the not-too-distant future. These tax reform proposals will require the Joint Committee staff to provide comprehensive economic and legal analysis of a wide range of issues, including complex transition issues.

REVENUE ESTIMATES

Mr. Chairman, I would like to speak just a minute on the important role of the Joint Committee on Taxation in the preparation of revenue estimates for pending revenue legislation.

As you know, under the Congressional Budget Act, the Joint Committee on Taxation has the sole responsibility for preparing revenue estimates for all tax legislation considered by the Congress. As I mentioned, during 1997, the staff responded to over 2,000 requests for revenue estimates from Members of Congress, including estimates prepared in connection with committee mark-ups.

Current staffing levels permitted the Joint Committee staff to respond to approximately 66 percent of the requests received from Members. During 1998, the Joint Committee staff expects to receive at least 1,500 requests for revenue estimates.

In addition, during 1998, the Joint Committee staff will continue to proceed with the work necessary to develop the capability to incorporate macroeconomic effects into the revenue estimates of major tax legislation. I think this is a very important initiative, and as part of this effort, the Joint Committee has contracted with two major macroeconomic forecasting firms to help in the development of a prototype macroeconomic model.

In addition, the Joint Committee staff consults regularly with the economists who serve on the Joint Committee's revenue estimating advisory board with respect to this important effort.

As I said, I want to emphasize the importance that I place on developing macroestimating capabilities. I think it is crucial to our efforts to restructure the Federal tax system that we have the ability to understand how the economy will perform when we replace the current income tax system.

Mr. Chairman, I would like to address specifically a concern raised by this subcommittee during last year's appropriation process: that the Joint Committee on Taxation staff did not respond adequately to requests from Members of Congress who do not sit on the tax-writing committees. Included in my written testimony is a table that provides information on the Joint Committee staff responses to revenue estimate requests during the 104th Congress, and for the first session of the 105th.

The Joint Committee on Taxation staff receives a large number of requests each year, and responds to approximately, as I said, two-thirds of them. As attachment D to my testimony shows, the response to nontax-writing committee members during the last Congress was pretty close to that of tax-writing committee members. However, I am concerned that the data for the first session of this Congress is showing some disparities in the response to non-writing committee members.

I believe it is imperative that the revenue-estimating process of the Joint Committee be above criticism. Therefore, when I recently named Lindy Paull, who is our new chief of staff, to take over as chief of staff of the Joint Committee on Taxation, I directed her to undertake a review of the revenue-estimating function of the Joint Committee and closely monitor requests so that all Members are treated fairly.

FISCAL YEAR 1999 REQUEST

Mr. Chairman, Senator Dorgan, the fiscal year 1999 appropriation request for the Joint Committee is \$6,018,000. This amount is a net increase of \$202,500 over the fiscal year 1998 appropriation, and \$1,000 less than the fiscal year 1995 appropriation for the Joint Committee. This increase is attributed solely to projected cost-of-living adjustments as provided to the Joint Committee by the House Finance Office, and a 1-percent merit increase for personnel expenses for the Joint Committee staff.

The funding we have requested for the Joint Committee on Taxation represents, we believe, the minimum amount necessary to finance the operations of the committee for fiscal year 1999. The Joint Committee provides essential services to the Congress that are not duplicated by any other congressional or executive branch office.

PREPARED STATEMENT

In closing, I want to thank the subcommittee for its continued recognition of the important role that this committee plays. Thank you.

[The statement follows:]

PREPARED STATEMENT OF SENATOR BILL ROTH AND CONGRESSMAN BILL ARCHER

INTRODUCTION

Mr. Chairman, we appreciate the opportunity to submit this written testimony to the Subcommittee on Legislative of the Senate Committee on Appropriations on behalf of the fiscal year 1999 appropriation request for the Joint Committee on Taxation (the "Joint Committee").

The funding we are requesting for the Joint Committee on Taxation represents the minimum amount necessary to finance the operations of the Joint Committee for fiscal year 1999. The Joint Committee provides essential services to the Congress that are not duplicated by any other Congressional or Executive Branch office. Failure to provide the requested funding will jeopardize the ability of the Joint Committee to provide these necessary services.

We want to thank the Subcommittee for its continued recognition of the important role that the Joint Committee plays in the development of revenue legislation. We are pleased that the Subcommittee has repeatedly acknowledged the needs of the Joint Committee, and we hope that the Subcommittee will understand the critical need for funds for the Joint Committee for fiscal year 1999.

Key points relating to the appropriation request are as follows:

We are requesting a fiscal year 1999 appropriation for the Joint Committee of \$6,018,000. This amount is a net increase of \$202,500 over the fiscal year 1998 appropriation and \$1,000 less than the fiscal year 1995 appropriation for the Joint Committee. This increase is attributable solely to cost-of-living adjustments and a 1-percent merit increase for personnel expenses for the Joint Committee staff.

In the last Congress, we asked the Joint Committee staff to assume additional responsibilities. In addition to the traditional role of the Joint Committee staff in the development, drafting, and estimating of proposed revenue legislation and the review of large income tax refund cases, the Joint Committee staff is now responsible for determining the possible unfunded mandates contained in revenue legislation and identifying, beginning in 1997, the limited tax benefits subject to the Line Item Veto Act. As you know, the Joint Committee staff identified over 70 provisions in the Taxpayer Relief Act of 1997 that were limited tax benefits and the President exercised his authority under the Line Item Veto Act to cancel two of these provisions.

The Joint Committee staff provides unique and essential services to both the House of Representatives and the Senate at every stage of the tax legislative process. The Joint Committee staff, comprised of highly qualified lawyers, accountants, and economists, is involved in the development, marking up, and drafting of tax bills and in writing all tax Committee Reports and Conference Reports. In addition,

the Joint Committee staff devotes substantial resources to the preparation of revenue estimates, distributional analyses, and other economic analyses relating to proposed legislation. The refund office of the Joint Committee reviews large proposed tax refunds as part of the Congressional oversight of the executive branch. The Joint Committee is charged by statute with oversight of the administration of the Federal tax system. The services of the Joint Committee are central to the tax legislative process.

Additional details relating to this appropriation request are provided below.

SUMMARY OF FISCAL YEAR 1999 BUDGET REQUEST

The following summarizes the Joint Committee's budget request for fiscal year 1999:

Personnel Funding	\$5,433,000
Non-Personnel Funding:	
Travel	12,000
Rent, Communications, Utilities	88,000
Other Services	95,000
Supplies and Materials	130,000
Equipment	260,000
Total fiscal year 1999 Request	6,018,000

The fiscal year 1995 appropriation for the Joint Committee on Taxation was \$6,019,000. The House-passed legislative branch funding bill for fiscal year 1996 froze the Joint Committee appropriation at the fiscal year 1995 level (\$6,019,000). The final version of this legislation reduced the Joint Committee's appropriation for fiscal year 1996 by 15 percent to \$5,116,000. This reduction was the result of a provision in the Senate bill, adopted in conference, which generally reduced appropriations of all Senate committees. This appropriation was lower than the Joint Committee's budget in each of the last 5 fiscal years. The fiscal year 1997 appropriation for the Joint Committee was \$5,470,000. The fiscal year 1998 appropriation for the Joint Committee is \$5,815,500, which is still below the fiscal year 1995 funding level.

DETAILS OF FISCAL YEAR 1999 APPROPRIATION REQUEST

Personnel Expenses

We are requesting an appropriation for fiscal year 1999 for the Joint Committee that is \$202,500 more than the fiscal year 1998 appropriation, but only \$1,000 more than the fiscal year 1995 appropriation. This increase is attributable solely to cost-of-living adjustments to current personnel expenses plus a 1-percent increase for merit pay increases. As instructed by the House Finance Office, we are requesting \$52,606 (attributable to a 1-percent merit increase) and \$149,622 (which represents annualization of the fiscal year 1998 and fiscal year 1999 cost-of-living adjustments). These amounts are determined for the Joint Committee by the House Finance Office because they provide to us both the compensation base and the percentage adjustments.

This request does not include any specific requested amount for possible overtime pay. During calendar year 1997, the Joint Committee on Taxation paid over \$13,000 in overtime pay. The Joint Committee has a policy of minimizing the amount of overtime pay that support staff employees earn by utilizing compensatory leave to the extent permitted under the law.

Nonpersonnel expenses

We are requesting no increase in nonpersonnel expenses for fiscal year 1999.

The amount requested for travel expenses (\$12,000) will be used to reimburse the economists who comprise the Joint Committee on Taxation revenue estimating advisory board for their expenses to travel to Washington, DC for advisory board meetings. In addition, this amount will be used to send Joint Committee attorneys and economists to educational conferences to improve their understanding of the Federal tax laws and to reimburse Joint Committee employees and prospective job applicants for travel expenses incurred in connection with the recruitment of new employees.

The amount budgeted for other services is primarily for consulting services. The needs of the Members for immediate responses to requests for revenue estimates and the substantial volume of requests for revenue estimates that the Joint Committee staff receives places tremendous burdens on the estimating staff. To perform efficiently, the staff of the Joint Committee has found it necessary to contract from

time to time with certain private sector organizations to do work that the Joint Committee staff does not have the time or the resources to do otherwise. In addition, the Joint Committee has contracted with a number of firms to help investigate issues involved in incorporating macroeconomic effects in the revenue estimates of certain major proposed tax law changes.

The purchase of equipment represents the single largest item of nonpersonnel expenses. The large volume of documents that the Joint Committee is required to produce during the legislative process requires that the Joint Committee staff have computer equipment necessary to produce documents quickly. In addition, the Joint Committee devotes significant resources to the preparation of revenue estimates, distribution analyses, and other economic analyses relating to proposed legislation. The nature of this work and the speed with which the staff is normally asked to complete its analyses requires that the Joint Committee staff utilize the most sophisticated and technologically advanced equipment. Thus, the staff finds it necessary to upgrade computer software and hardware frequently to enable the staff to provide the service required and expected by the Members of Congress.

REVIEW OF JOINT COMMITTEE ON TAXATION OPERATIONS DURING CALENDAR YEAR 1997

Attachments A through D provide a summary of the activity of the Joint Committee for calendar year 1997. During 1997, the Joint Committee staff drafted fourteen Committee and Conference Reports (Statements of Managers) for the House Ways and Means Committee and the Senate Finance Committee. In addition, the staff drafted eight tax treaty Executive Reports for the Senate Foreign Relations Committee. A list of these committee reports and treaty Executive Reports is contained in Attachment A.

In 1997, the Joint Committee staff was actively involved in preparing materials for numerous tax committee hearing and markup documents, as well as committee and conference report explanations on tax-related legislation and tax treaties.

Tax legislative reports worked on by the Joint Committee staff relating to legislation enacted in 1997 included:

- Temporary extension of Airport and Airway Trust Fund excise taxes (H.R. 668).
- Taxpayer Browsing Protection Act (H.R. 1226).
- Taxpayer Relief Act of 1997 (H.R. 2014), which included tax credits for children and college education expenses, other education tax incentives, expansion of IRA's, capital gains and alternative minimum tax provisions, estate and gift tax revisions, extensions of certain expiring tax provisions, D.C. tax incentives, a welfare-to-work tax credit, expansion of empowerment zones, extension and modifications to the Airport and Airway Trust Fund excise taxes, certain corporate and other tax reforms, numerous tax simplification provisions, pension and employee benefit changes, extensive Line Item Veto Act analysis, and technical corrections for 1996 tax legislation.
- Balanced Budget Act of 1997 (H.R. 2015), which included revenue provisions relating to Medicare Medical Savings Accounts, tax treatment of certain hospitals, unemployment tax provisions, and increased tobacco excise tax rates.
- Temporary extension of Highway Trust Fund (sec. 9 of S. 1519).

In addition, the Joint Committee staff worked on several other tax committee reports on legislation that were considered by the tax-writing committees in 1997 but not enacted as of the end of the First Session of the 105th Congress. These included the following areas of tax legislation (also listed in Attachment A):

- H.R. 2513 (restore and modify two revenue provisions canceled under the Line Item Veto Act in H.R. 2014), which was passed by the House.
- H.R. 2621 (revenue offset provision to the Reciprocal Trade Agreement Authorities Act of 1997).
- H.R. 2644 (revenue offset provision to the United States-Caribbean Trade Partnership Act).
- H.R. 2645 (Tax Technical Corrections Act of 1997), which was included as an amendment to H.R. 2676 as passed by the House.
- H.R. 2646 (Savings Act for Public and Private Schools Education), which was passed by the House.
- H.R. 2676 (Internal Revenue Service Restructuring and Reform Act of 1997), which was passed by the House.
- S. 1173 (Intermodal Surface Transportation Revenue Act of 1997), which was approved by the Senate Finance Committee.

Further, the Joint Committee staff prepared hearing pamphlets and executive reports on 8 tax treaties for the Senate Foreign Relations Committee. On a less formal basis, the Joint Committee staff assisted various nontax-writing Committees of the House and Senate during 1997. Specifically, the Joint Committee staff prepared cer-

tain written materials for the House Subcommittee on Housing and Community Opportunity of the House Committee on Banking and Financial Services with respect to certain HUD programs (and Joint Committee Chief of Staff Kenneth J. Kies testified before that Subcommittee). In addition, the Joint Committee staff prepared a study on utility restructuring for the Senate Committee on Energy and Natural Resources, and provided extensive support to the House and Senate Committees with jurisdiction over the District of Columbia in connection with the work of the Congress relating to the District, in addition to testifying before the House Subcommittee on the District of Columbia.

In addition to its work on committee and conference reports, the Joint Committee staff published 92 documents during 1997, including pamphlets and other documents prepared for committee hearings and markups and conference action (see Attachment B). Included in these documents was the General Explanation of Tax Legislation Enacted in 1997, a 549-page comprehensive explanation of all tax legislation enacted in 1997.

The 1997 publications included the Joint Committee staff's annual report on estimates of Federal tax expenditures for fiscal years 1998–2002. Other publications included an analysis of the provision of the Line Item Veto Act relating to limited tax benefits, a staff study of entity classification and partnership tax issues, and a staff review of Federal income tax issues arising in connection with proposals to restructure the electric power industry. Also included in 1997 publications was a document regarding the Joint Committee staff's Tax Modeling Project and Tax Symposium Papers, which discussed the feasibility of incorporating macroeconomic effects into Joint Committee staff revenue estimates.

During 1997, Joint Committee staff members spent extensive time conducting an investigation of whether the Internal Revenue Service's ("IRS") selection of tax-exempt organizations described in Internal Revenue Code sections 501(c)(3) and 501(c)(4) (and individuals associated with such organization) for audit has been politically motivated, including an analysis of the selection of such tax-exempt organizations for audit for reasons related to their alleged political or lobbying activities. We, along with Senator Moynihan and Congressman Rangel, directed the Joint Committee to conduct this investigation in March 1997; this investigation represents an important exercise of the Joint Committee on Taxation's statutorily prescribed duty of oversight of the administration of the Federal tax system. The Joint Committee staff spent extensive time during the spring and fall of 1997 on this investigation. The investigation involves the review and inspection of several hundred boxes of IRS case files, as well as the interview of IRS personnel, taxpayers, and taxpayer representatives. While much of the work can be performed in Washington, D.C., travel to other parts of the country to interview witnesses and review files is also required.

The Unfunded Mandates Reform Act of 1995 imposed certain procedural requirements in the House and Senate with respect to mandates imposed on either the private sector or on State and local governments. Under procedures developed in coordination with CBO, the Joint Committee staff is required to provide an estimate to the CBO of the direct costs of complying with any such mandates contained in revenue legislation considered by the Congress.

During 1997, the Joint Committee received over 2,000 requests for revenue estimates (see Attachment C). Many of the requests received in 1997 involved complex proposals relating to alternative tax structures and proposals under consideration as part of the Taxpayer Relief Act, the Balanced Budget Act, and restructuring of the IRS, all of which required significant time on the part of the Joint Committee's legal and economics staff. In the course of considering the Joint Committee's fiscal year 1998 appropriation request, questions were raised as to whether the Joint Committee staff was providing adequate assistance to all Members of Congress requesting it. We are attaching (Attachment D) to this letter a summary of Joint Committee responses to revenue estimate requests broken down by Ways and Means Committee, Senate Finance Committee, Non Ways and Means Committee, and Non Senate Finance Committee and subdivided further into Democrats and Republicans. Current staffing and funding levels for the Joint Committee on Taxation enable the Joint Committee staff to respond to approximately 66 percent of revenue estimate requests; Attachment D demonstrates that the Joint Committee staff responds to requests received from all Members of Congress. Although the Joint Committee staff response rate is slightly higher for tax-writing committee members, we believe this is principally attributable to the large number of amendments that are considered when either of the tax-writing committees marks up revenue legislation.

One of the statutorily mandated functions of the staff of the Joint Committee is the review of IRS refunds or credits of income tax, estate and gift tax, or any tax on public charities, foundations, pension plans, or real estate investment trusts in

excess of \$1,000,000. The Joint Committee staff reports on each such refund case and makes comments or recommendations with respect to the proposed refund case to the IRS. During 1997, the Joint Committee refund staff reviewed 602 cases involving \$6.1 billion in proposed refunds. The Joint Committee staff raised concerns in 88 cases (or approximately 15 percent of the cases). Errors identified by the Joint Committee staff produced a net reduction in refunds of \$14.3 million in 1997; the average annual reduction in refunds for the last 7 years is \$9.8 million. One IRS region reported to the Joint Committee refund review staff that savings in excess of \$20 million had been achieved from corrections made before cases were submitted to the Joint Committee as a result of memoranda that had been written in earlier cases. A copy of the Joint Committee staff's 1996 Refund Review Operations Report (other than sections containing confidential taxpayer information) is included as Attachment E.

SUMMARY OF ANTICIPATED WORKLOAD OF THE JOINT COMMITTEE ON TAXATION FOR
CALENDAR YEAR 1998

During 1998, it is expected that the Congress will return to consideration of various alternatives to the present income tax laws (such as flat taxes and different types of consumption taxes) that have been or will be introduced. Some background work on such tax restructuring proposals has been done in recent years, but we expect that this work will be intensified in 1998, as new proposals are introduced and existing proposals are refined and modified. Because these proposals involve a complete restructuring or replacement of the current Federal tax system, the economic and legal analysis of such proposals can be extraordinarily complex, requiring substantial staff time. We expect that Congressional consideration of these initiatives will place critical and unique demands on the staff of the Joint Committee to provide revenue estimates and legal and economic analyses.

It is also expected that legislation to reform and restructure the IRS, which was passed by the House in 1997, will be considered by the Senate and enacted in 1998. This is a major piece of legislation, involving the complete restructuring of the way in which the IRS is managed by the Executive Branch and Congress, and contains, as well, an array of taxpayer rights and protections and the modification of present-law IRS procedures relating to collection and enforcement of taxes. Not only will the Joint Committee staff be responsible for the development of this legislation, but, if enacted with provisions similar to those in the House bill, the legislation will place new burdens on the Joint Committee staff. The Joint Committee has estimated that the version of the legislation passed by the House will initially require the resources of a minimum of 3.5 FTE's. Over the long term, we estimate that this legislation would require on an ongoing basis a minimum of 2.5 FTE's. The new burdens that would be placed on the Joint Committee staff include the requirement to prepare new studies and reports, oversee joint hearings of Congressional committees with jurisdiction over IRS matters, and prepare a tax complexity analysis with respect to every piece of tax legislation.

As mentioned above, along with Senator Moynihan and Congressman Rangel, we have directed the staff of the Joint Committee to investigate whether the IRS's selection of tax-exempt organizations described in Internal Revenue Code sections 501(c)(3) and 501(c)(4) (and individuals associated with such organization) for audit has been politically motivated, including an analysis of the selection of such tax-exempt organizations for audit for reasons related to their alleged political or lobbying activities. This investigation was initially begun in 1997, and it was initially expected that the investigation, as well as the written findings, would be completed during 1997. However, work on the investigation had to be suspended during the summer of 1997 because of the work of the Congress on the Taxpayer Relief Act of 1997. Work on the investigation is again continuing, and will be completed in 1998. The investigation involves the review and inspection of several hundred boxes of IRS case files, as well as the interview of IRS personnel, taxpayers, and taxpayer representatives. While much of the work can be performed in Washington, D.C., travel to other parts of the country to interview witnesses and review files is also required. The investigation and preparation of the written report involves the work of approximately 5.0 FTE's.

The Joint Committee devotes substantial resources to the preparation of revenue estimates, distribution analyses, and other economic analyses relating to proposed revenue legislation. During 1997, Members of Congress were increasingly interested in the revenue estimation process, particularly the possibility of incorporating macroeconomic effects in revenue estimates, and we expect that this interest will continue in 1998. Determining whether this can be done and, if so, how to do it, will require substantial resources. Currently accepted estimation processes do not ac-

count for macroeconomic effects, and there is no consensus in the economic community about how, and whether to, account for such effects. The Joint Committee staff has already taken steps to improve the estimating process and determine the feasibility of incorporating macroeconomic effects. These steps include providing more disclosure regarding the estimation process to Members of Congress, determining whether proposals are likely to have significant macroeconomic effects, consultation with the Joint Committee on Taxation revenue estimating advisory board as to the feasibility of incorporating macroeconomic effects in revenue estimates, and contracting with macroeconomic forecasting firms for the purpose of developing estimating models that might be used to estimate the macroeconomic effects of certain proposed major changes in the Federal tax laws. The Joint Committee staff held a conference of economic advisors in 1997 to review the results of the macroeconomic forecasting firms. It is anticipated that this review will help determine the feasibility of using such forecasting models and aid in the development of models that may be used by the Joint Committee staff. The ability of the Joint Committee staff to continue these efforts in 1998 will be impaired if funding at the requested level is not provided.

The Line Item Veto Act of 1996 imposed a new statutory responsibility on the Joint Committee staff to identify limited tax benefits contained in any Conference Report considered by the House or Senate and to prepare a statement for inclusion in every Statement of Managers to identify any limited tax benefit. The Joint Committee was required to exercise this statutory responsibility for the first time in 1997. While the amount of time the Joint Committee is required to devote to complying with the requirements of the Line Item Veto Act will vary depending on the nature of tax legislation considered and adopted by the Congress, the experience of the Joint Committee staff in 1997 demonstrates that the Act imposes substantial burdens on the Joint Committee. Identifying the list of limited tax benefits for inclusion in the Statement of Managers involves complicated analyses by almost every member of both the legal and economics staff of a nature not generally otherwise required in the consideration of revenue legislation. In addition to preparation of the this statement, Members of Congress have begun to request determinations of whether proposals under consideration would be identified as limited tax benefits. Providing this information to Members involves the same analysis required in preparation of the formal list of limited tax benefits. Finally, in the event items identified as limited tax benefits are vetoed by the President, the Joint Committee staff is involved in the reconsideration and modification of the vetoed provisions.

After the publication of the President's fiscal year 1999 budget, the Joint Committee will be required to provide its own analysis and revenue estimates of the revenue provisions of the budget.

During 1998, the requirements imposed under the Unfunded Mandates Reform Act of 1995 will give rise to a continuing responsibility of the Joint Committee staff to provide an estimate to the Congressional Budget Office of the direct costs of complying with mandates on the private sector or on State and local governments that are contained in revenue legislation considered by the Congress.

Under the regulatory reform bill recently enacted, a process of Congressional disapproval applies to certain executive branch regulations, rulings, and other pronouncements. The House Ways and Means Committee and the Senate Finance Committee have asked the Joint Committee staff to review all tax regulations and similar guidance submitted to the Congress under the regulatory reform legislation and to report to the Committees on any issues that might be appropriate for Congressional disapproval.

To fulfill the goals of the House and the Senate to make Congressional information more accessible, the Joint Committee recently set up its own internet web site. This enables individuals not only to obtain information about the Joint Committee and certain Joint Committee publications and activities, it also provides links to the sites of Members of the Committee. It is expected that work perfecting this web site will continue in 1998, and that regular updates will be provided in order to make current information available. Although this is not a significant component of the Joint Committee staff work, maintaining this web site in order to provide current information about the work of the Joint Committee for the benefit of Members of Congress, their staffs, and the general public will require some additional staff time.

As always, the Joint Committee staff will continue to have an integral role in tax aspects of Federal budget deliberations and in any tax legislation considered by the Congress. It is anticipated that the Joint Committee staff will assist in the development and analysis of legislative proposals, and prepare markup documents, Committee reports and conference reports (Statements of Managers) with respect to any tax legislation.

CONCLUSION

Mr. Chairman, we will continue to rely on the staff of the Joint Committee to provide us with their technical support. This superb staff has a demonstrated track record of service to the Congress. The appropriation request for fiscal year 1999 is intended merely to provide the necessary resources for the Joint Committee staff to respond promptly and adequately to the requests for assistance that it receives from the Members of Congress and to maintain its current level of services.

We respectfully urge the Members of your Subcommittee to respond favorably to the Joint Committee's request for funding for fiscal year 1999.

ATTACHMENT A.—1997 TAX-RELATED LEGISLATIVE REPORTS WORKED ON BY THE
STAFF OF THE JOINT COMMITTEE ON TAXATION

TAX COMMITTEE AND CONFERENCE REPORT EXPLANATIONS

H.R. 668 (Airport and Airway Trust Fund Reinstatement Act of 1997). H. Rept. 105-5 (House Ways and Means Committee report on bill to provide temporary extension of Airport and Airway Trust Fund excise taxes).

H.R. 1226 (Taxpayer Browsing Protection Act of 1997). H. Rept. 105-51 (House Ways and Means Committee report on bill to prevent unauthorized inspection of tax returns or tax return information).

H.R. 2014 (Taxpayer Relief Act of 1997). H. Rept. 105-148 (House Budget Committee report on revenue reconciliation provisions as approved by the House Ways and Means Committee).

H.R. 2014 (Taxpayer Relief Act of 1997). H. Rept. 105-220 (Conference report on the Taxpayer Relief Act).

H.R. 2015 (Balanced Budget Act of 1997). H. Rept. 105-149 (House Budget Committee report on revenue provisions of budget reconciliation provisions as approved by the House Committee on Ways and Means).

H.R. 2015 (Balanced Budget Act of 1997). H. Rept. 105-217 (Revenue provisions of conference report on the Balanced Budget Act).

H.R. 2513 (Restore and modify revenue provisions canceled under the Line Item Veto Act). H. Rept. 105-318, Part I (House Ways and Means Committee report on restoring two revenue provisions canceled under the Line Item Veto Act).

H.R. 2621 (Reciprocal Trade Agreement Authorities Act of 1997). H. Rept. 105-341, Part I (House Ways and Means Committee report on revenue offset provision in trade "fast track" bill).

H.R. 2644 (United States-Caribbean Trade Partnership Act). H. Rept. 105-365 (House Ways and Means Committee report on revenue offset provision of Caribbean trade bill).

H.R. 2645 (Tax Technical Corrections Act of 1997). H. Rept. 105-356 (House Ways and Means Committee report on tax technical corrections).

H.R. 2646 (Savings Act for Public and Private Schools Education). H. Rept. 105-332 (House Ways and Means Committee report on bill to allow tax-free expenditures from education accounts for elementary and secondary school expenses).

H.R. 2676 (Internal Revenue Service Restructuring and Reform Act of 1997). H. Rept. 105-364, Part I (House Ways and Means Committee report on bill to restructure the IRS and reform IRS procedures).

S. 949 (Revenue Reconciliation Act of 1997). S. Rept. 105-33 (Senate Finance Committee report on revenue reconciliation provisions).

S. 1173 (Intermodal Surface Transportation Revenue Act of 1997). Explanation for the Congressional Record of Senate Finance Committee amendment to S. 1173, providing a revenue title to extend the Highway Trust Fund and Trust Fund taxes.

TAX TREATY EXECUTIVE REPORTS

Taxation Agreement With Turkey. Exec. Rept. 105-6 (Executive report for the Senate Foreign Relations Committee).

Taxation Convention With Austria. Exec. Rept. 105-7 (Executive report for the Senate Foreign Relations Committee).

Taxation Convention With Luxembourg. Exec. Rept. 105-8 (Executive report for the Senate Foreign Relations Committee).

Taxation Convention With Thailand. Exec. Rept. 105-9 (Executive report for the Senate Foreign Relations Committee).

Tax Convention With Switzerland. Exec. Rept. 105-10 (Executive report for the Senate Foreign Relations Committee).

Tax Convention With South Africa. Exec. Rept. 105–11 (Executive report for the Senate Foreign Relations Committee).

Tax Protocol With Canada. Exec. Rept. 105–12 (Executive report for the Senate Foreign Relations Committee).

Tax Convention With Ireland. Exec. Rept. 105–13 (Executive report for the Senate Foreign Relations Committee).

ATTACHMENT B.—JOINT COMMITTEE ON TAXATION

JCS–97 DOCUMENTS

JCS–1–97—Analysis Of Provisions Contained In The Line Item Veto Act (Public Law 104–130) Relating To Limited Tax Benefits. January 3, 1997

JCS–2–97—Description And Analysis Of Tax Proposals Relating To Individual Saving And IRA's. Scheduled for a Hearing Before the Senate Committee on Finance on March 6, 1997. March 3, 1997

JCS–3–97—Analysis Of Proposed Tax Incentives For Higher Education. Scheduled for a Hearing Before the House Committee on Ways and Means on March 5, 1997. March 4, 1997

JCS–4–97—Tax Treatment Of Capital Gains And Losses. Scheduled for a Public Hearing by the Senate Committee on Finance on March 13, 1997. March 12, 1997

JCS–5–97—Description And Analysis Of Tax Proposals Relating To Savings And Investment (Capital Gains, IRA's, And Estate And Gift Tax). Scheduled for a Public Hearing Before the House Committee on Ways and Means on March 19, 1997. March 18, 1997

JCS–6–97—Review Of Selected Entity Classification And Partnership Tax Issues. April 8, 1997

JCS–7–97—Description And Analysis Of Proposals Relating To Estate And Gift Taxation. Scheduled for a Public Hearing Before the Senate Committee on Finance on April 10, 1997. April 8, 1997

JCS–8–97—Impact On Individuals And Families Of Replacing The Federal Income Tax. Scheduled for a Public Hearing Before the House Committee on Ways and Means on April 15, 1997. April 14, 1997

JCS–9–97—Analysis Of Proposed Tax And Savings Incentives For Higher Education. Scheduled for a Public Hearing Before the Senate Committee on Finance on April 16, 1997. April 15, 1997

JCS–10–97—Description And Analysis Of Certain Revenue-Raising Provisions Contained In The President's Fiscal Year 1998 Budget Proposal. April 16, 1997

JCS–11–97—Comparison Of Revenue Provisions Of H.R. 2014 As Passed By The House And The Senate. Prepared for the Use of the House and Senate Conferees. July 10, 1997

JCS–12–97—Explanation Of Proposed Income Tax Treaty Between The United States And The Republic Of Austria. Scheduled for a Hearing Before the Committee on Foreign Relations, United States Senate on October 7, 1997. October 6, 1997

JCS–13–97—Explanation Of Proposed Income Tax Treaty And Proposed Protocol Between The United States And The Republic Of Turkey. Scheduled for a Hearing Before the Committee on Foreign Relations, United States Senate on October 7, 1997. October 6, 1997

JCS–14–97—Explanation Of Proposed Income Tax Treaty Between The United States And The Grand Duchy Of Luxembourg. Scheduled for a Hearing Before the Committee on Foreign Relations, United States Senate on October 7, 1997. October 6, 1997

JCS–15–97—Explanation Of Proposed Income Tax Treaty Between The United States And The Republic Of South Africa. Scheduled for a Hearing Before the Committee on Foreign Relations, United States Senate on October 7, 1997. October 6, 1997

JCS–16–97—Explanation Of Proposed Income Tax Treaty And Proposed Protocol Between The United States And The Swiss Confederation. Scheduled for a Hearing Before the Committee on Foreign Relations, United States Senate on October 7, 1997. October 6, 1997

JCS–17–97—Explanation Of Proposed Income Tax Treaty And Proposed Protocol Between The United States And Ireland. Scheduled for a Hearing Before the Committee on Foreign Relations, United States Senate on October 7, 1997. October 6, 1997

JCS–18–97—Explanation Of Proposed Income Tax Treaty Between The United States And The Kingdom Of Thailand. Scheduled for a Hearing Before the Committee on Foreign Relations, United States Senate on October 7, 1997. October 6, 1997

JCS-19-97—Explanation Of Proposed Protocol To The Income Tax Treaty Between The United States And Canada. Scheduled for a Hearing Before the Committee on Foreign Relations, United States Senate on October 7, 1997. October 6, 1997

JCS-20-97—Federal Income Tax Issues Arising In Connection With Proposals To Restructure The Electric Power Industry. October 17, 1997

JCS-21-97—Joint Committee On Taxation Tax Modeling Project And 1997 Tax Symposium Papers. November 20, 1997

JCS-22-97—Estimates Of Federal Tax Expenditures For Fiscal Years 1998-2002. Prepared for the House Committee on Ways and Means and the Senate Committee on Finance. December 15, 1997

JCS-23-97—General Explanation Of Tax Legislation Enacted In 1997. December 17, 1997

JCX-97 DOCUMENTS

JCX-1-97—Description Of Title III ("Affordable College Act") Of S. 1 ("Safe And Affordable Schools Act Of 1997"). January 21, 1997

JCX-2-97—Description Of S. 2 ("American Family Tax Relief Act"). January 21, 1997

JCX-3-97—Background Information On Federal Air Transportation Excise Taxes And The Airport And Airway Trust Fund. Scheduled for a Public Hearing Before the Senate Committee on Finance on February 4, 1997. February 3, 1997

JCX-4-97—Background Information On Federal Air Transportation Excise Taxes And The Airport And Airway Trust Fund. Scheduled for a Public Hearing Before the House Committee on Ways and Means on February 5, 1997. February 4, 1997

JCX-5-97—Reinstatement Of Air Transportation Excise Taxes And Transfer Of Excise Tax Revenues To The Airport And Airway Trust Fund. Scheduled for a Markup by the Senate Committee on Finance on February 5, 1997. February 4, 1997

JCX-6-97R—Description Of Revenue Provisions Contained In The President's Fiscal Year 1998 Budget Proposal. February 10, 1997

JCX-7-97—Reinstatement Of Air Transportation Excise Taxes And Transfer Of Excise Tax Revenues To The Airport And Airway Trust Fund. Scheduled for a Markup by the House Committee on Ways and Means on February 12, 1997. February 10, 1997

JCX-8-97—Estimated Budget Effects Of The Revenue Provisions Contained In The President's Fiscal Year 1998 Budget Proposal. February 27, 1997

JCX-9-97—Comparison Of Certain Proposed Tax Incentives For Higher Education. Scheduled for a Hearing Before the House Committee on Ways and Means on March 5, 1997. March 4, 1997

JCX-10-97—Description And Analysis Of Certain Revenue-Raising Provisions Contained In The President's Fiscal Year 1998 Budget Proposal. Scheduled for a Public Hearing Before the House Committee on Ways and Means on March 12, 1997. March 11, 1997

JCX-11-97—Unauthorized Inspection Of Tax Returns Or Tax Return Information. Scheduled for Markup Before the House Ways and Means Committee on April 9, 1997. April 7, 1997

JCX-12-97—Description Of S. 436 (The "Intercity Passenger Rail Trust Fund Act Of 1997") And Of Present-Law Provisions Relating To Federal Excise Taxes Imposed On Transportation Motor Fuels. Scheduled for a Public Hearing Before the Senate Committee on Finance on April 23, 1997. April 21, 1997

JCX-13-97R—Present Law And Legislative Background Relating To The Low-Income Housing Tax Credit. Scheduled for a Public Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on May 1, 1997. April 30, 1997

JCX-14-97—Description Of The Administration's Proposals Relating To The Earned Income Credit. Scheduled for a Public Hearing Before the House Committee on Ways and Means on May 8, 1997. May 7, 1997

JCX-15-97—Written Testimony Of The Staff Of The Joint Committee On Taxation Regarding President Clinton's Tax Proposals For The District Of Columbia for a Hearing of the Subcommittee on the District of Columbia of the House Committee on Government Reform and Oversight, 105th Congress on May 22, 1997. May 22, 1997

JCX-16-97—Oral Testimony Of The Staff Of The Joint Committee On Taxation Regarding President Clinton's Tax Proposals For The District Of Columbia for a Hearing of the Subcommittee on the District of Columbia of the House Committee on Government Reform and Oversight, 105th Congress on May 22, 1997. May 22, 1997

JCX-17-97—Description Of Health-Related Tax Proposals. Scheduled for Markup Before the Health Subcommittee of the House Committee on Ways and Means on June 4, 1997. June 3, 1997

JCX-18-97—Estimated Revenue Effects Of Health-Related Tax Proposals. Scheduled for Markup Before the Health Subcommittee of the House Committee on Ways and Means on June 4, 1997. June 4, 1997

JCX-19-97—Description And Analysis Of Proposals Relating To The Deduction For Health Insurance Expenses Of Self-Employed Individuals, Worker Classification, Taxation Of Home Office Expenses, And Electronic Filing. Scheduled for a Public Hearing Before the Subcommittee on Taxation and IRS Oversight of the Senate Committee on Finance on June 5, 1997. June 4, 1997

JCX-20-97—Description Of Chairman's Mark Relating To Revenue Reconciliation Provisions. Scheduled for Markup Before the House Committee on Ways and Means on June 11, 1997. June 9, 1997

JCX-21-97—Description Of Chairman's Mark Relating To Tax Simplification Provisions. Scheduled for Markup Before the House Committee on Ways and Means on June 11, 1997. June 9, 1997

JCX-22-97—Description Of Chairman's Mark Relating To Technical Correction Provisions. Scheduled for Markup Before the House Committee on Ways and Means on June 11, 1997. June 9, 1997

JCX-23-97—Estimated Budget Effects Of Chairman's Mark Relating To Revenue Reconciliation Provisions. June 9, 1997

JCX-24R-97—Description Of Human Resources-Related Tax Proposals. Scheduled for Markup Before the House Committee on Ways and Means on June 10, 1997. June 9, 1997

JCX-25-97—Estimated Budget Effects Of Chairman's Mark Relating To Earned Income Credit Compliance Proposals. June 9, 1997

JCX-26-97—Estimated Revenue Effects Of A Chairman's Mark In The Nature Of A Substitute Regarding The Budget Reconciliation Human Resources Subcommittee Items. Scheduled for Markup Before the House Committee on Ways and Means on June 10, 1997. June 10, 1997

JCX-27-97—Description Of The Modifications Contained In An Amendment In The Nature Of A Substitute To The Chairman's Mark Relating To Revenue Provisions As Released To Members Of The Committee On Ways And Means On June 9, 1997. Scheduled for Markup Before the House Committee on Ways and Means on June 11, 1997. June 11, 1997

JCX-28-97—Estimated Budget Effects Of An Amendment In The Nature Of A Substitute To The Chairman's Mark Relating To Revenue Reconciliation Provisions. June 11, 1997

JCX-29-97—Description Of Senate Finance Committee Chairman's Mark Relating To Revenue Reconciliation Provisions. Scheduled for Markup Before the Senate Committee on Finance on June 19, 1997. June 17, 1997

JCX-30-97—Description Of Senate Finance Committee Chairman's Mark Relating To Tax Simplification Provisions. Scheduled for Markup Before the Senate Committee on Finance on June 19, 1997. June 17, 1997

JCX-31-97—Description Of Senate Finance Committee Chairman's Mark Relating To Technical Correction Provisions. Scheduled for Markup Before the Senate Committee on Finance on June 19, 1997. June 17, 1997

JCX-32-97—Estimated Budget Effects Of Chairman's Mark Relating To Revenue Reconciliation Provisions. June 17, 1997

JCX-33-97—Estimated Budget Effects Of Chairman's Mark Relating To Tax Simplification Provisions. June 17, 1997

JCX-34-97—Distributional Effects Of The Revenue Reconciliation Provisions Contained In The Senate Finance Committee Chairman's Mark. Scheduled for Markup Before the Senate Finance Committee on June 19, 1997. June 17, 1997

JCX-35-97—Estimated Budget Effects Of The "Taxpayer Relief Act Of 1997". Scheduled For Consideration By The House Of Representatives On June 26, 1997. June 25, 1997

JCX-36-97—Estimated Budget Effects Of The Revenue Provisions In H.R. 2014 As Passed By The Senate On June 27, 1997. July 1, 1997

JCX-37-97—Comparison Of The Estimated Budget Effects Of The Revenue Provisions Of H.R. 2014 As Passed By The House And The Senate. July 10, 1997

JCX-38-97—Disclosure Report For Public Inspection Pursuant To Internal Revenue Code Section 6103(p)(3)(C) For Calendar Year 1997. July 14, 1997

JCX-39-97—Estimated Budget Effects Of The Conference Agreement On The Revenue Provisions Of H.R. 2014, The "Taxpayer Relief Act Of 1997". July 30, 1997

JCX-40-97—Summary Of Revenue Provisions Of H.R. 2014 ("Taxpayer Relief Act Of 1997"). August 1, 1997

JCX-41-97—Distributional Effects Of The Conference Agreement On The Revenue Reconciliation Provisions Of H.R. 2014, The “Taxpayer Relief Act Of 1997”. September 4, 1997

JCX-42-97—Description Of Revenue Provisions To Be Considered In Connection With A Markup Of Trade Matters. Scheduled for Markup by the Senate Committee on Finance on September 11, 1997. September 9, 1997

JCX-43-97—Estimated Revenue Effects Of Trade-Related Tax Proposals. Scheduled for Markup by the Senate Finance Committee on September 11, 1997. September 9, 1997

JCX-44-97—Description And Analysis Of Proposals Relating To The Recommendations Of The National Commission On Restructuring The Internal Revenue Service On Executive Branch Governance And Congressional Oversight. Scheduled for Public Hearings Before the House Committee on Ways and Means on September 16, and 17, 1997. September 16, 1997

JCX-45-97—Written Testimony Of The Staff Of The Joint Committee On Taxation With Respect To Certain Provisions Of H.R. 2292 (the “Internal Revenue Service Restructuring And Reform Act Of 1997”) Before a Hearing of the Committee on Ways and Means. September 17, 1997

JCX-46-97—Written Testimony Of The Staff Of The Joint Committee On Taxation Regarding Federal Income Tax Aspects Of Proposals To Restructure Certain FHA-Insured Multifamily Mortgage Portfolios for a Hearing of the Subcommittee on Housing and Community Opportunity of the House Committee on Banking and Financial Services on September 17, 1997. September 17, 1997

JCX-47-97—Description Of Legislation To Restore And Modify Provisions In The Taxpayer Relief Act Of 1997 Canceled Pursuant To The Line Item Veto Act. September 19, 1997

JCX-48-97—Chairman's Amendment In The Nature Of A Substitute Relating To Provisions In The Taxpayer Relief Act Of 1997 Canceled Pursuant To The Line Item Veto Act. September 23, 1997

JCX-49-97—Background And Description Of Proposals Relating To Taxpayer Protection And Rights (Title III Of H.R. 2292). Scheduled for a Public Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on September 26, 1997. September 25, 1997

JCX-50-97—Extension Of Highway Trust Fund Excise Taxes and Related Trust Fund Provisions. Scheduled for a Markup by the Senate Committee on Finance on October 1, 1997. September 29, 1997

JCX-51-97—Estimated Revenue Effects Of An Extension Of Highway Trust Fund Excise Taxes And Related Trust Fund Provisions. Scheduled For Markup By The Senate Committee On Finance On October 1, 1997. September 29, 1997

JCX-52-97—Revised Estimated Revenue Effects Of An Extension Of Highway Trust Fund Excise Taxes And Related Trust Fund Provisions. Scheduled For Markup By The Senate Committee On Finance On October 1, 1997. October 1, 1997

JCX-53-97—Testimony Of The Staff Of The Joint Committee On Taxation Before The Senate Committee On Foreign Relations Hearing On Tax Treaties And Protocols With Eight Countries. October 7, 1997

JCX-54-97—Revenue Offset To Trade Bill. Scheduled for Markup by the House Committee on Ways and Means on October 8, 1997. October 8, 1997

JCX-55-97—Estimated Revenue Effects Of The Revenue Offset For H.R. 2621. Scheduled for Markup by the Committee on Ways and Means on October 8, 1997. October 8, 1997

JCX-56-97—Description Of Chairman's Mark Of The “Tax Technical Corrections Act Of 1997”. Scheduled for Markup by the House Committee on Ways and Means on October 9, 1997. October 8, 1997

JCX-57-97—Revenue Offset For U.S. Caribbean Basin Trade Partnership Act. Scheduled for Markup by the House Committee on Ways and Means on October 9, 1997. October 8, 1997

JCX-58-97—Estimated Revenue Effects Of A Revenue Offset For The “United States-Caribbean Basin Trade Partnership Act”. October 8, 1997

JCX-59-97—Description Of Education Savings Act For Public And Private Schools And A Revenue Offset. Scheduled for Markup by the House Committee on Ways and Means on October 9, 1997. October 8, 1997

JCX-60-97—Estimated Revenue Effects Of The “Education Savings Act For Public And Private Schools”. Scheduled for Markup by the Committee on Ways and Means on October 9, 1997. October 8, 1997

JCX-61-97—Chairman's Amendment In The Nature Of A Substitute To H.R. 2646 Relating To Definition Of Qualified Education Expenses. October 9, 1997

JCX-62-97—Description Of The “Internal Revenue Service Restructuring And Reform Act Of 1997”. Scheduled for Markup by the House Committee on Ways and Means on October 22, 1997. October 21, 1997

JCX-63-97—Description Of Changes To JCX-62-97 Made By The Amendment In The Nature Of A Substitute To Be Offered By Chairman Archer. October 22, 1997

JCX-64-97—Estimated Revenue Effects Of An Amendment In The Nature Of A Substitute To H.R. 2676, The “Internal Revenue Service Restructuring And Reform Act Of 1997”. October 22, 1997

JCX-65-97—Description Of The Tax Provisions Of The Empowerment Zone/Enterprise Community Program And H.R. 1031, The “Renewing American Communities Act Of 1997”. Scheduled for a Hearing Before the Subcommittee on Oversight of the House Committee on Ways and Means on October 28, 1997. October 24, 1997

JCX-66-97—Description Of Revenue Offset In Amendment To H.R. 2621, The “Reciprocal Trade Agreement Authorities Act Of 1997” As Reported By The Committee On Ways And Means. November 7, 1997

JCX-67-97—Estimated Revenue Effects Of The Revenue Offset In An Amendment To H.R. 2621, The “Reciprocal Trade Agreement Authorities Act Of 1997,” As Reported By The Committee On Ways And Means. November 7, 1997

JCX-68-97—Description Of Amendment To H.R. 2513 As Reported By The Committee On Ways And Means. November 7, 1997

JCX-69-97—Estimated Revenue Effects Of Amendments To H.R. 2513, As Reported By The Committee On Ways And Means, To Restore And Modify Provisions In The “Taxpayer Relief Act Of 1997” Canceled Pursuant To The Line Item Veto Act. November 7, 1997

ATTACHMENT C.—Joint Committee on Taxation revenue estimate requests

<i>Calendar year</i>	<i>No. of requests</i>
1985	348
1986	474
1987	420
1988	900
1989	1,290
1990	1,286
1991	1,461
1992	2,350
1993	2,380
1994	1,259
1995	2,278
1996	1,792
1997	2,079

ATTACHMENT D.—CONGRESSIONAL REQUEST AND REPLY DATA ¹

Requestors	104th Congress			105th Congress (as of Dec. 18, 1997)		
	Requests	Replies	Percent replies	Requests	Replies	Percent replies
Ways and Means Committee:						
Republicans	627	394	62.8	367	190	64.3
Democrats	360	216	60.0	196	106	69.9
Senate Finance Committee:						
Republicans	1,053	731	69.4	516	305	70.5
Democrats	421	268	63.7	291	156	73.2
Non-Ways and Means Committee:						
Republicans	308	210	68.2	272	152	61.4
Democrats	226	141	62.4	153	57	54.9
Non-Senate Finance Committee:						
Republicans	200	136	68.0	207	106	59.9
Democrats	209	128	61.2	133	72	61.7
Others	31	25	80.6	24	15	62.5

ATTACHMENT D.—CONGRESSIONAL REQUEST AND REPLY DATA ¹—Continued

Requestors	104th Congress			105th Congress (as of Dec. 18, 1997)		
	Requests	Replies	Percent replies	Requests	Replies	Percent replies
Total	3,435	2,249	65.5	2,159	1,159	65.9

¹ Totals include both revenue and non-revenue requests.

ATTACHMENT E.—MEMORANDUM

DECEMBER 18, 1997.

To: Chief of Staff, Joint Committee on Taxation
 From: Senior Refund Counsel
 Subject: Refund Section—Calendar Year 1998 Operations Report

This is a report on the more significant developments in this Office during the past calendar year.

SUMMARY

Volume.—Refund Cases—602 reports were received during the year. The total dollar amount of refunds was \$6,101,259,628.

Reports received	1994	1995	1996	1997
Examination Division	482	425	375	457
Appeals Division	147	132	101	124
Department of Justice	18	20	25	18
Chief Counsel	6	2	5	3
Total	653	579	506	602
Concerns ¹	69	79	104	88

¹ Includes 8 post review deficiency cases for 1994, 12 for 1995, 16 for 1996 and 4 for 1997.

Post Review.—The Service reports 64 large deficiency cases to us annually for post review. Four of these cases generated concerns this year.

Other Action.—(1) We transmitted for consideration of legislative action 10 issues that arose in various cases.

(2) We transmitted 2 memoranda suggesting corrections were needed in computer programs to ensure correct reporting of tax liability.

Exhibits and Appendices provide detailed information on most of the foregoing.

Errors identified by us in 1997 and prior years, and agreed to by the Service in 1997 produced a net reduction in refunds of \$14.3 million. The average annual reduction for the last 7 years is \$9.8 million. Such corrections also reduced ATNOLCF's, \$355.9 million, AMFTC's \$23 million, and regular tax FTC's \$8.5 million. In addition, one region informed us of savings in excess of \$20 million from corrections made before cases were submitted to us, that resulted from memoranda we had written in earlier cases.

We hope that in spite of our decreased staffing we are satisfactorily accomplishing our assigned portion of the Committee's mission and meeting your expectations. We look forward to a productive, challenging year.

EXHIBIT I.—REPORTS TO JC AS REQUIRED BY IRS CODE SECTION 6405

[Calendar year 1997]

Month	No. of cases received	Cumulative total	Cumulative monthly average	Dollar receipts	Cumulative dollar receipts
January	48	48	48	\$1,260,468,739	\$1,260,468,739
February	46	94	47	347,028,954	1,607,497,693

EXHIBIT I.—REPORTS TO JC AS REQUIRED BY IRS CODE SECTION 6405—Continued

[Calendar year 1997]

Month	No. of cases received	Cumulative total	Cumulative monthly average	Dollar receipts	Cumulative dollar receipts
March	40	134	44	518,379,068	2,125,876,761
April	55	189	47	342,716,526	2,468,593,287
May	59	248	49	701,795,817	3,170,389,104
June	54	302	50	520,878,723	3,691,267,827
July	81	383	54	824,954,395	4,516,222,222
August	54	437	54	547,160,557	5,063,382,779
September	40	477	53	370,329,743	5,433,712,522
October	56	533	53	210,074,744	5,643,787,266
November	26	559	50	179,610,623	5,823,397,889
December	43	602	50	277,861,739	6,101,259,628

EXHIBIT II.—JOINT COMMITTEE CASES RECEIVED IN BY TYPES OF TAXPAYER AND SOURCE—1997

			Amount	Percent			
TYPES OF TAXPAYERS					SOURCE OF REPORTS		
Individuals	26	4.32	Examination	457	75.91		
Estates	7	1.16	Appeals	124	20.60		
Trusts	2	.33	Justice	18	2.99		
Corporations	567	94.19	Tax Court	3	.50		
Total	602	100.00	Total	602	100.00		

EXHIBIT III.—JOINT COMMITTEE MONTHLY RECEIPTS—REFUND REPORTS FROM EXAMINATION AND APPEALS

[Calendar year 1997]

Month	Examina- tion	Cumulative	Appeals	Cumulative
January	31	31	13	13
February	39	70	6	19
March	33	103	6	25
April	44	147	10	35
May	36	183	17	52
June	44	227	9	61
July	60	287	19	80
August	38	287	14	94
September	31	356	8	102
October	45	401	9	111
November	20	421	6	117
December	36	457	7	124

EXHIBIT IV.—1997 JOINT COMMITTEE ON TAXATION CONCERNS¹ ON REFUND REPORTS FROM IRS

	Examinations	Appeals	Total No. of con- cerns issued
Number of concerns issued	54	29	83
Percent of total concerns issued	65	35	100

EXHIBIT IV.—1997 JOINT COMMITTEE ON TAXATION CONCERNS¹ ON REFUND REPORTS FROM
IRS—Continued

	Examinations	Appeals	Total No. of con- cerns issued
Total reports received	457	124	581

¹ Number of Concerns does not include 4 on deficiency cases and 1 on a Justice case.

Senator BENNETT. Thank you, Mr. Chairman. We are appreciative of your efforts to be fiscally responsible and hold down your expenses, and this committee is particularly appreciative of your focusing on our request of last year dealing with requests for estimates from those who are not members of either the Ways and Means Committee or the Finance Committee.

We had something of a wrangle in the subcommittee with your predecessor over this issue, and I at least know of Lindy Paull's background and great talent. I think you have made a very wise choice——

Senator ROTH. Thank you. I think so, too.

Senator BENNETT [continuing]. In putting Ms. Paull in this assignment.

I will note the percentage, at least, of response to requests for estimates has gone up from the 104th Congress to the 105th Congress on the part of members of the tax-writing committees. It has unfortunately gone down with respect to other members, and that was the source of the concern we had last year.

You undoubtedly read the language that we put in the conference report. The conferees expect the Joint Committee to be both responsive and timely in its responses to Members of Congress who do not serve on the revenue committees. It is the intent of the conferees to carefully monitor the responsiveness of the Joint Committee to determine if statutory language will be required next year.

The wrangle was, are we going to force the committee to accept additional FTE's with the understanding that they would be dedicated solely to responding to Members of Congress who are not members of the tax-writing committees?

Your predecessor said, give us 1 year to prove ourselves, and interestingly they did not say, give us the additional people. They were willing to give up the additional people in order to avoid the restrictive language.

As I say, statistically the responsiveness has gone down. I think the one area that is statistically the largest decline is the House non-Ways and Means Committee Democrats which went from 62 percent replies in the 104th Congress down to 55 percent in the 105th, and others, although the number is very low, 80 percent reply in the 104th has gone down to 62 percent in the 105th.

The Senate non-Finance Committee Republicans are the second group that has had the biggest decline, from 68 percent in the 104th down to roughly 60 percent in the 105th.

I am willing to accept your assurances of focus on this issue, again as an expression of my confidence in Ms. Paull and her background and history in working with Members of the Senate, but we will, true to the comment in the conference report, continue to monitor this very closely because it is a matter that we have heard

from other Members of Congress about, and we would be derelict in our duties if we did not stay on top of it.

Senator Dorgan, do you have any questions?

Senator DORGAN. Mr. Chairman, I think the budget request is very reasonable and it reflects some real prudence here. I served on the House Ways and Means Committee for 10 years, so I know a fair amount about the service given Members, especially tax committee members, by the Joint Committee on Taxation, and I also know that there is a fair part of the year when they work literally day and night, and they do not have a huge staff, but they put in about as many hours as anybody on Capitol Hill during certain periods, and I have always deeply appreciated the sacrifice and the effort they make.

I think the expression that we made last year as a subcommittee was very important, however. I discovered that there are several stages of responses. Chairmen of the House Ways and Means Committee and the Finance Committee always get immediate responses.

Members of the tax-writing committees get pretty good responses, and other Members had a little more difficult time, and I think all we were trying to say was that Members not able to serve on the tax-writing committees also need that service, and I think what we did last year and your response to that has been helpful and thoughtful, and we very much appreciate it.

Senator ROTH. Mr. Chairman and Senator Dorgan, I appreciate what you are saying and fully agree as to the importance that everybody have access. I have some of the same experiences sometimes with CBO, so I know of what you speak.

Senator BENNETT. You want us to pass that on to CBO when they appear for their appropriation?

Senator ROTH. You might give them a nudge.

But let me say that Senator Dorgan is 100 percent correct when he talks about the workload on these people. First of all, I think we are very fortunate in being able to maintain the quality personnel that we have and the fact that they work day and night at times I think is not understood or appreciated on the part of many, so I would just like the record to reflect that we are fortunate in having a group of economists, accountants, and lawyers that do great work, and we will certainly try to watch this and make sure that there is fair access to everybody.

Obviously, when there is a markup and some of those situations, a priority is established, but if you have any problems during the year I would hope both of you gentlemen would call it to either Lindy or my attention.

Senator DORGAN. Could I ask one additional question?

Senator BENNETT. Surely.

Senator DORGAN. This is one of the areas in which institutional knowledge I think is critical. To the extent that you have people on your staff who are permanent and have been there a long while and understand not only what happened last year but 5 years ago and 20 years ago in some of these difficult tax issues is very important, and we are going to have testimony a little later this morning by the Congressional Research Service in which they are concerned

about the retirements that will occur, and what it will take away from their agency in terms of institutional knowledge.

Have you taken a look at your staff? Is your circumstance such that you have a pretty good feeling about the continuation of institutional knowledge, given the permanent staff you have?

Ms. PAULL. We have quite a few members of our staff who have been on the staff for at least a decade and then we have a mix of people. We have a few senior people who have been on even longer than that, so we do have really good institutional knowledge, a very high quality professional staff, and we will try to maintain that.

Senator DORGAN. Thank you very much.

Senator ROTH. I asked Lindy to introduce some of our top people who we have here.

Ms. PAULL. We have some of our top people here. Mary Schmitt, who is in charge of all our legal staff, and Bernie Schmitt, who is in charge of our economic and revenue-estimating function, and Michael Boren, who is our top administrator.

Senator BENNETT. Thank you very much. Very good. Thank you, Mr. Chairman. We appreciate your efforts and congratulate you again on your choice of a chief of staff.

Senator ROTH. I appreciate that. Thank you.

Senator BENNETT. Thank you very much.

U.S. SENATE—Continuing

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER—Continuing

Senator BENNETT. All right. We now will go back to the Sergeant at Arms. They are about to make a chart presentation and, as I said, Mr. Casey, you need not feel quite as rushed as you might of before, because Senator Roth has come and gone. We appreciate your courtesy in allowing us to accommodate the chairman.

Mr. CASEY. It is not everyone who gets to be sandwiched in between Senator Warner and Senator Roth. That is not bad company, actually.

SERGEANT AT ARMS STRATEGIC PLANNING GOALS

Provide the Senate with technologies that are year-2000 compliant.
Provide the Senate with a secure IT environment that protects sensitive information and ensures data integrity.
Provide the Senate with:
—outstanding IT service and support
—responsive computing and communications technology
—optimum use of emerging technologies, including internet
—improved IT management processes.
Establish a centralized procurement function which will assure performance that satisfies customers, protects Senate interests, and obtains best values.

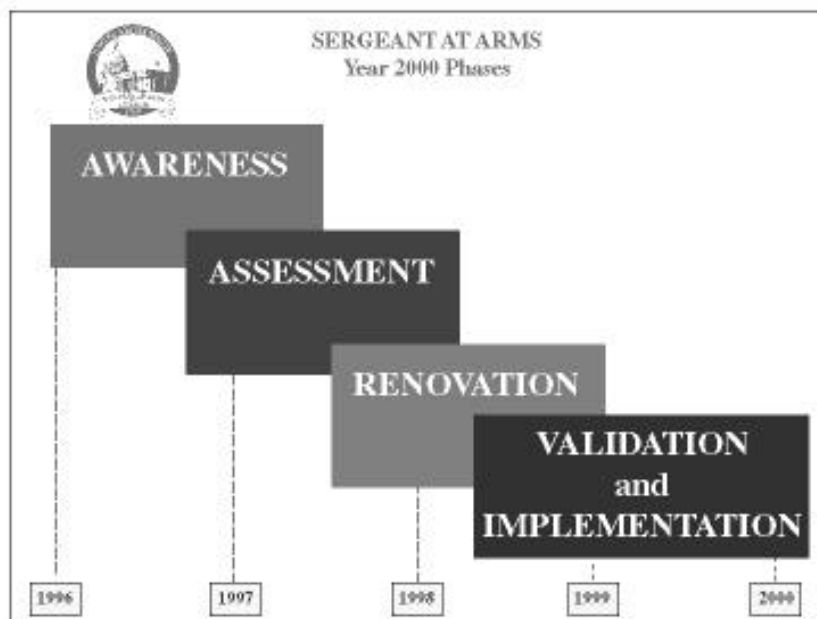
I was just discussing at the moment of the break that we had four strategic goals that were assigned to us by the ongoing Senate strategic plan. That is that chart there. We reported to the Rules Committee on those goals the first week in February. I would be glad to make available to you the substance of our report on the progress of meeting that strategic plan, if the committee would like to have that—

Senator BENNETT. Thank you. We will put it in the committee files.

Mr. CASEY. You will note the first of those goals, Mr. Chairman, is year 2000.

We can talk a lot about the organizational items in the Sergeant at Arms, but I think there are a couple of these items like year 2000 of particular interest to this committee, so let us get to that.

We feel there is no more important task for us to be successful at than making sure that the Senate is year 2000 compliant. Experts have suggested to us—and we have ongoing consultants working with us on year 2000. They suggest that what is complicated about this particular problem is not the technical fix to either the hardware or the software, but the complexity and the enormity of the task of managing year 2000 compliance.



In October 1996 we began using the GAO model, the five-phase structured model on how to approach the year 2000 problem.

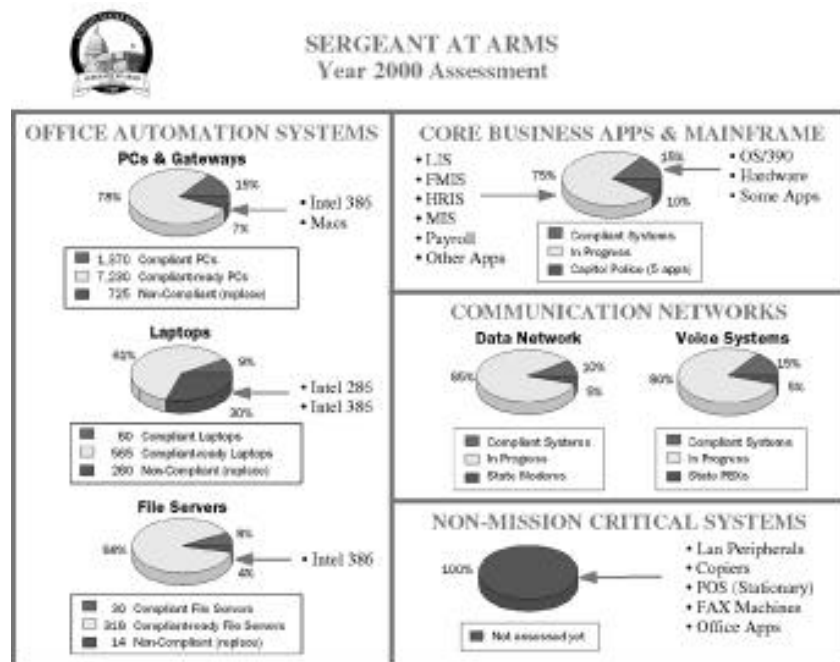
The five phases are awareness, assessment, renovation, validation, and, of course, the last one is implementation.

Phase 1 is awareness. That is what everybody has been doing, what we continue to do. We have got an ongoing outreach program to Senate offices not only to be aware of what the overall systems are, year 2000, but what unique applications they may have on their own systems that are year 2000 that they are going to have to take a look at as well.

We have an outreach page on Webster, so we are continuing to try to drive home the message to be aware of what is going.

We have identified in the second phase, our core business applications, our systems. We have done an inventory of our computers and our vulnerabilities, and we have prioritized their conversion and their replacement.

As a side note in response to a question asked by Congressman Saxton, the Joint Economic Committee has 77 computers in the Senate side, 28 of which are already compliant, 24 of which are compliant-ready, and 5 which are not, so that is his status. That comes about by the assessment phase that we have completed.



Phase 3 is renovation. Obviously, the renovation is the conversion, the replacement, the elimination of either the applications, the systems, or the hardware that causes the problem.

Our renovation strategy for four of the mission-critical statements is as follows. On the office automation networks and desktop computers, we will basically make them compliant through routine life cycle replacements, or BIOS upgrades.

In plain English, the vast majority of all of our desktop systems and computers will only require an upgrade on the software.

I notice everybody looking at that chart. That which is green is good. It is done. That which is yellow is not quite as good, but pretty good. It means that they are compliant-ready and they will be ready to take the upgrade. That which is red is bad. As you can see in the PC's and gateways, 15 percent are already completed.

In terms of numbers, Mr. Chairman, that is 1,370 of our PC's are compliant. You are right to say that in December we were at 63. We are now capable and turning PC's that are compliant-ready into compliant to about the tune of 500 a week.

The yellow, that which is compliant-ready, is the universe we are working on now, and the red, of course, is that which is noncompliant, which means they have to be replaced or retired.

And the MAC's you see up there, I know there are some MAC offices. Basically we have 15 MAC's.

Mr. CICCOLELLA. Twelve that are not compliant. The others are compliant.

Mr. CASEY. It is 500 a month, is how we are turning the compliant-readies.

Senator BENNETT. Do you have enough months? I guess you do. Ten months gives you 5,000, so you end this year with 2,200.

Mr. CASEY. We basically have 15 months to go.

Senator BENNETT. OK.

Mr. CASEY. Laptops are the largest noncompliant area. Mainly that is because of the nature of the laptop. Laptops go places, go home, get in the car. They do not become the critical device that people use for computing. Basically the red is going to be replaced. Those are the 286's and 386's. We cannot make them compliant-ready. They will be replaced.

The file servers, the same situation there exists. We will replace 14 of them. We have got 8 percent already compliant, and the others are getting ready to be compliant.

In the core business applications, here we are talking about our financial management, legislative information, et cetera. Both Mitretek and GAO tell us that this is where our greatest problems lie.

Our strategy here, however, is total replacement, and we are in the process of doing that. From a hardware perspective the necessary mainframe hardware upgrade has been accomplished and is being tested now, so it is the applications that we have to put on that hardware system.

Data and telecommunications networks are being addressed in a previously approved and previously funded 5-year plan, and generally they are compliant. As you can see there, there is a very small sliver at both the data network and the voice network where we have problems in the States, and the State PBX's and modems will just simply have to be replaced.

There are a couple of items up there. There is a large red box at the bottom. During the course of the assessment we basically isolated those things that are critical mission core functions. Those are the ones we are looking at now.

Obviously, when the year 2000 comes there will be some things that will not make it through the window. We would like to address them. We would like to take care of all that, but in terms of the red at the bottom, those are those that are nonmission critical. If we finish the rest of our mission-critical on-time, and the way we hope we can get it accomplished, we will be addressing those.

The last one up on top, core business applications and mainframes, there was the issue of the Capitol Police. We found a patch, or a way to bring the Capitol Police's mainframe networks into compliance for the year 2000, so we found a way to fix that problem.

Phase 4 is validation. We are not there yet. And phase 5 of this program is the full implementation, or the use of contingent plans where necessary.

So currently we are in the process with Mitretek on board and GAO validating our methodologies to address the year 2000 issue. There are the numbers.

PREPARED STATEMENT

I have a secret weapon as well. We hired a chief of operations, Mr. Chick Ciccolella, who comes to us after a distinguished career in the Army. He is a world-class manager. He has taken over the

operations division. He has a task force at the highest level in the operations division whose sole purpose it is to continue focusing on the year 2000 issue.

I can answer questions at the end, if you want me to stop.
[The statement follows:]

PREPARED STATEMENT OF HON. GREGORY S. CASEY

Mr. Chairman, it is an honor for me to appear before the committee today to discuss the operations and budget of the Sergeant at Arms and to restate our commitment to quality service to our Senate customers.

First, a brief status report on our operations. In my testimony a year ago, I summarized twenty years worth of consultant reports recommending changes in the way the Senate Sergeant at Arms does business. I also outlined how we intended to reorganize the Sergeant at Arms organization to make it the customer focused, quality driven operation described in the Senate's emerging strategic plan.

Today I am pleased to report this reorganization is complete. We believe today's Sergeant at Arms is structured to provide outstanding customer service to support the Senate's mission critical systems, to provide state of the art office automation, constituent response programs, and assurance these systems are secure from threat, available on demand, and are Year 2000 compliant.

Our success in meeting both the Senate strategic plan and our own admittedly ambitious objectives is based on remaining focused on three management principles: understand customer needs and keep in touch with those expectations; use best management practices and rigorously evaluate every process; and develop and maintain a motivated and skilled workforce.

We have created a new Customer Relations Department that will provide a single point of contact for all customer concerns about services, quality, and new product and support requirements. We have a Quality Assurance Council, comprised of representatives from member offices, committees, and other service and support offices within the Senate; their chief function is focused on continuous improvement.

We have a reinvigorated Human Resource Office providing management training, establishing career ladders, pay for performance, recruitment and retention programs for our employees, and meeting the requirement of the Congressional Accountability Act.

As we migrate some of our financial operations to the Secretary of the Senate, we are converting our financial operations office to a management review office to ensure our Quarterly Report will become increasingly more detailed and valuable—for you and for us.

We have consolidated our Operations Division and eliminated duplication of services. To this division, we added two new departments: (1) the Office of Program Management, adds new discipline to project management, (2) the Office of the Systems Architect will ensure our information technology infrastructure remains visionary with an eye toward, not only our current, but future technology needs.

And, in conjunction with the Secretary of the Senate, we are developing a Senate Joint Office of Education and Training. As we discussed here last year, we must invest much more in our human resources.

In addition to doing that which we do to support our Senate customers, we've also been tasked with implementing our share of the emerging Senate Strategic Plan. The Sergeant at Arms has the responsibility for implementing these four (on chart) specific goals as well as providing all the technology for the Secretary's mission critical systems.

Mr. Chairman, each of our strategic goals were discussed in great detail with the Strategic Planning Task Force in February. I would be pleased to make a copy of our report available to you.

Operationally speaking, this is not the same Sergeant at Arms it was a year ago. But rather than talk generally, I know a couple of the tasks we are currently involved with that are of particular concern to you.

There isn't a task more important for us to succeed at than meeting the challenges of making the Senate Year 2000 compliant. Experts suggest, what is so complicated about the Year 2000 problem is not the technical fix to a particular computer or piece of software—but the complexity of managing the enormous scale of the project.

In October of 1996 we began implementation of a structured and disciplined Year 2000 program which comports to best practices as identified by the General Accounting Office.

The program is a five phase approach (chart).

Phase one is Awareness.—On this, we have been working with Senate offices over the past year to make them aware of Year 2000 issues including those which may be unique to their offices.

Phase two is Assessment.—We have identified core business applications and systems, completed a hard inventory and prioritized their conversion or replacement. These are the systems and tools that support the critical operations of the Senate.

Phase three is Renovation.—Converting, replacing or eliminating applications and systems and modifying their interfaces. Our renovation strategy for the mission critical systems are as follows:

- Office automation networks and desktop computers will be compliant through routine life-cycle replacements and “bios” upgrades. In plain English, the vast majority of our desktop computers will only require a software upgrade to the operating system to become compliant.

- Core business applications, like the Senate’s financial management and legislative information systems, have been identified by our Y2K consultant, Mitretek, and the GAO, as our most problematic Y2K issue. The Senate’s strategy here is total replacement of these applications and hardware. On the hardware side, the SAA Operations Division, is already testing a newly installed mainframe and related operating system.

However, the software for the financial management and legislative information systems is complicated. The Sergeant at Arms is working with the project sponsor and the project team to develop contingency plans to mitigate the risk.

- Data and telecommunications networks are being addressed in our previously approved 5 year network upgrade program. They are generally compliant or are being upgraded with assistance from our network vendors.

Phase four is Validation.—Test, verify and validate applications and systems.

Phase five is Implementation.—Follow our plan or, if need be, implement contingency plans if necessary.

We are currently validating our methodologies and project status with our Y2K consultant, Mitretek, and the GAO. Additionally, we have completed the “hard” inventory developed in the assessment phase. The ongoing effort at renovation allows me to advise you today, of the 8,258 desk and laptop computers currently in the inventory, 615 are already compliant, 6,184 are compliant ready.

Second to Y2K in importance to the Senate Community, is Information System Security or INFOSEC. Consultants and GAO have been recommending an INFOSEC initiative for years.

Last year my office obtained the services of an exceptional professional from the National Security Agency, who has spent several months assisting us in developing policy, structure, guidelines and recommendations. The Rules Committee recently authorized the implementation of an Information Systems Security plan based on that work and we are now in the process of selecting an INFOSEC Director.

I also want to touch briefly on the issue of the Internet. We’ve been using one of the nation’s foremost Internet consultants in helping us understand where technology will take us in the next millennium. One of their comments bring a shocking perspective to our task in this area. “The Internet will swallow up telephone and TV * * *.”

Last year, we facilitated 15 million outside email contacts with Senate offices. This year, we expect that number to double as the volume of Internet users in the United States doubles.

How we accommodate this increase, and harness this communication tool, will be critical to the success of every Senate customer from now on.

Last week we put the finishing touches on an ambitious tactile plan for putting the Senate at the front end of this technological marvel before the beginning of the next Congress. We think this \$2 million initial effort can be funded through the existing Sergeant at Arms budget.

Now, speaking of the budget, this is where the rubber meets the road. Are you getting what you pay for?

First, in terms of efficiency, our original fiscal year 1999 budget request developed last fall, was the same as this year’s budget—\$97.9 million, that number was a real \$2 million less than the previous year.

Since then, we have settled our reorganization and began to more fully reengineer what we do. That has lead to a revised budget request for \$94.9 million—a full \$3 million less than our original request. This savings results from a combination of operational efficiencies and the re-evaluation of projects. The reduced fiscal year 1999 budget request of \$94.9 million consists of \$34.4 million in salaries and \$60.5 million in expenses. Salaries increased by \$1.4 million or 4 percent from last year, with a corresponding decrease in expenses. The expense request is for \$60.5 million, \$4.4 million or nearly 7 percent below fiscal year 1998. Expense savings are

achieved by better managing ongoing activities and a careful evaluation of new technology projects. We have deferred several initiatives in favor of more cost effective solutions and have deferred others for which there is insufficient customer demand.

Second, we will operate with the same 780 FTE's we had this year—47 FTE's less than 1997, while still implementing a new Education and Training Office, an all new project management office, a new INFOSEC office, a new systems architect, a fully staffed customer service division, and a new office dedicated to inter and intranet development.

Third, we continue to make progress on our new strategic projects, including year 2000 compliance, improved information security, and upgrades to our infrastructure which allows us to take full advantage of current and emerging technologies.

To understand how we link our strategic initiatives to the budget, you first need to understand the budget.

- 35 percent supports state offices (\$22 million);
- 16 percent D.C. office equipment and communications;
- 13 percent supports CSF (\$8 million); and
- 9 percent produces the ID's, issues the parking permits, produces graphics, televises the Senate, and pays the Doorkeepers.

In other words, 86 percent of the fiscal year 1999 budget request is consumed in day-to-day operations.

Key to linking dollars to the strategic plan is implementing strategic updates as a recurring business strategy. Included in the above is exactly that. Replacement of non-Y2K compliant desktop computers with those that are Y2K, etc.

Mr. Chairman, let me just say how proud I am of the managers and employees of the Sergeant at Arms. We embarked on an ambitious organizational remake less than a year ago. We set out to change the structure and culture.

That asked a lot of our people and they have performed wonderfully. Few will ever know or appreciate how difficult this task has been—but I do—and I thank them all.

Senator BENNETT. I congratulate you on the thoroughness and specificity of your assessment. We are, as Chairman Greenspan told us in the Banking Committee—I know that is a name that will get Senator Dorgan awake simply by invoking it.

We are engaged in a truly unique situation in history. We have no prior experience with this, and I think Murphy is probably predominant in all of these operations, so the more time you can give yourself for testing at the back end of this process the better off you are going to be.

You may be in compliance with the GAO windows. The message is that we have no idea that those windows are really the right windows. We have never done anything like this before, and you do everything you can to see that the testing phase of the implementation and validation, to use their terms, is as long as possible, because the concern that I have Government-wide as I look at this is that everyone is saying, we can be ready by this date to start, and you look at the amount of testing time they have, and it is very narrow. Particularly, DOD has a very narrow testing phase.

So, with that concern, Senator Dorgan, do you have any questions on this before we go to the next?

Senator DORGAN. It was a good presentation.

Thank you, Senator.

Mr. CASEY. Thank you, sir.

Second, too, the importance of year 2000 is another issue that we need to take care of, which is systems information security, or INFOSEC. This is something the GAO has been telling us we have needed to do for a long time.

Last year, with the work of the Rules Committee, we brought in a professional from the National Security Agency, Pam Kelly. She spent several months preparing recommendations on how we can

put together an INFOSEC office for the U.S. Senate. The Rules Committee recently authorized the implementation of that plan. We are now in the process of selecting and hiring an INFOSEC director.

I would like to touch briefly on the issue of the Internet, and I know we do not have a lot of time. Suffice it to say we have got a world-class consultant also dealing with us on intranet and Internet. One of the comments that they made to us sort of puts this into a stark perspective, as well: The Internet will soon swallow up television and telephones.

So we are aware of that. And we have put the finishing touches on an ambitious tactical plan for putting the Senate on the sort of leading edge of the Internet technology before the beginning of the next Congress. There is a \$2 million initiative that we are funding inside the budget of the Sergeant at Arms.

Speaking of budget, first, in terms of our efficiency, Mr. Chairman. This year's budget was \$97.9 million, which itself was a \$2 million reduction over last year. Since we submitted our original request for the same as we had last year, we have settled our reorganization. And because of that, we have been able to fully reengineer some of our services. This has led to a revised budget request of \$94.9 million, or \$3 million less than we asked for last fall.

The savings result from a combination of our operational efficiencies and the reevaluation of some of the projects. It consists of \$94.9 million; \$34.4 million of it is salaries—that is an increase of 4 percent, or \$1.4 million; and a decrease of \$4.4 million, or 7 percent, in the area of expenses. And on the expense side, we have achieved that, again, by better managing some of our ongoing projects and by analyzing and deferring some of the initiatives or eliminating or reducing some of those initiatives where we simply found no customer or insufficient customer demand.

We will operate at the same 780 FTE's in the coming year that we had last year. That is 47 FTE's less than we had the year before. We are going to be able to do that with the 780 FTE's while at the same time bringing online the new Office of Education and Training, the new Project Management Office, the new INFOSEC Office, the new systems architect, a fully staffed customer service division, and a dedicated Internet and intranet department.

Third, we will continue to make progress on our strategic initiatives, including year 2000, basically, by making sure that the dollars that we spend are strategically linked to the dollars that we spend on our ongoing activities. And in my prepared text I talk to you about how our budget basically breaks down. It basically works this way: 86 percent of all the money that we expend are in the day-to-day operations. That leaves a very small sliver of dollars to address strategic initiatives. So what we are doing is linking those dollars to our reoccurring business strategy.

Year 2000 is a perfect case in point. As we move the old computers, the old systems, out, we bring in those that are part of the strategic initiative. And that is what we are using Mr. Chris Day, who was our financial officer, who is now our management officer, to make sure that we do—that we bring some of our discipline on our strategic planning to our everyday operational expenses.

Also, we are pursuing the IT protocol, which we believe is a partnering effort with all of the Senate family, the Senate offices, who have initiatives that they would like to see in their individual offices. That helps us develop a picture of the architect for the future, and helps us expend dollars through the individual office CSF accounts, computer accounts, to also help us meet the strategic planning objectives.

Mr. Chairman, that would conclude my prepared testimony. I stand ready to answer any questions you may have. But I would like to say that I have been blessed with a tremendous staff. We started a very, very aggressive reorganization in the last year. We set out to change the culture and the structure of a very large organization. We asked a lot of our people. And our people performed magnificently, and sometimes under very difficult circumstances. Those people are here. And if I could ask them to stand so that you could see who these people are.

Senator BENNETT. Very good.

Mr. CASEY. Thank you.

They have done a very magnificent job, and I am very proud of what they have been able to accomplish in the last year.

SERGEANT AT ARMS FISCAL YEAR 1999 BUDGET REQUEST						
[Dollars in millions]						
Description	Fiscal year—				Original fiscal year 1999	Revised fiscal year 1999
	1995	1996	1997	1998		
Salaries	\$32.7	\$31.9	\$34.0	\$33.0	\$34.4	\$34.4
Expenses	74.9	61.3	65.9	64.9	63.5	60.5
Total Budget	107.6	93.2	99.9	97.9	97.9	94.9
Staffing (FTE's)	888	824	827	780	780	780

Senator BENNETT. Thank you. I am impressed by the numbers on your chart. I notice that all of the numbers are down except the FTE's and the salaries. I would be interested to know, if by maintaining the FTE's at the same level and the salary number at the same level, how you are handling the mandatory COLA increases?

Mr. CASEY. It is built into the budget. The mandatory COLA is built into the budget.

Senator BENNETT. Well, how does that work, if you have the same number of people as you had last year?

Mr. CASEY. We are increasing the salary component. As we did last year, we increased it.

Senator BENNETT. Well, here, the salary component is flat. Oh, I see. I apologize. I am going from original to revised. I should go from 1998 to revised. OK. That helps me. Thank you. I apologize for missing that point.

Senator Dorgan, do you have any questions?

Senator DORGAN. Well, Mr. Chairman, I think Mr. Casey has done a good job as Sergeant at Arms. And I think this presentation

is an effective presentation. You certainly continue to exhibit some restraint. I like the reforms that you have implemented.

Let me also say that this office was extraordinarily helpful last spring when our State was hit with this disaster. They were quick to help us provide some mobile office space, and it was enormously helpful. And we appreciate that.

But you not only gave an effective presentation on the year 2000 issue, but I think that all of us take some heart in recommendations that hold the line on staffing and pretty much hold the line on salaries, with the exception of the COLA. We appreciate that kind of recommendation. And I think that you are making some much-needed improvements in the organization. And I do not have any tough, probing questions.

To the extent that I go through and find some additional inquiries, I would like to be able to send them to you. But, generally speaking, I am pleased and impressed with the work that your office has done.

Mr. CASEY. Thank you.

Senator BENNETT. We had a question last year. It is a ticky-tacky kind of question.

Mr. CASEY. It will come out. It will go to the GPO next week. [Laughter.]

It will be in the hands of everybody within 30 days. But all the current numbers are currently posted daily on Webster.

Senator BENNETT. OK. So that the record will be clear, I was indeed going to ask the question about the updated phone book. [Laughter.]

BEAUTY AND BARBER SHOPS

Another area that has attracted some attention, I think far beyond that which it deserves, in terms of the amount of money, but for some reason has attracted publicity. Will you comment on the consolidation of the beauty and barber shops?

Mr. CASEY. I would be glad to, Mr. Chairman.

At the direction of a number of individuals on the Rules Committee, we looked into trying to eliminate what had become a rather significant deficit. We had a couple of recommendations on how to proceed. One of them was to consolidate the operations, eliminating duplicative administrative staff, eliminating duplicative reception staff, combining the two shops basically into one shop, so that we could obtain some efficiencies in ordering product and scheduling customers, or going to an outsourcing.

It was determined by the Rules Committee that the proper way to go was to try to get the operation on a break-even basis or close to a break-even basis without outsourcing those services. We proceeded to do that. And on January 1, we switched over to the new process.

Now, although a couple of months does not a year make, we have seen the monthly deficit go from roughly \$39,000 in the first month that we have figures, to about \$9,000. So we have turned the corner on that, and I hope are still able to provide a high level of service.

Senator BENNETT. And you raised the prices, which I noted.

Mr. CASEY. We did a survey as to what our prices looked like compared to the private sector and found out that in not all segments, but in some segments we were low, and we raised the prices to a competitive basis.

Senator BENNETT. Well, I appreciate your attention to that. I know it can be a highly emotional issue for Members back home, who like to grandstand on their willingness to accept austerity. But many times they get carried away with campaign rhetoric and get away from reality. So I appreciate your willingness to focus on that and bring it to the competitive arena the way you have.

Now, I am going to raise a really small issue, but, nonetheless, it could be symptomatic of the challenges of running a bureaucracy, even as lean as you are running this bureaucracy. And I certainly compliment you on the direction and efficiencies that you have established. But this is the price you pay for responding to a public body like the Senate.

CELLULAR PHONES

The Appropriations Committee—I cannot resist, sitting under the portrait of our chairman—recently received quotes for a Startac cellular phone. And the Senate Telecommunications Office provided a quotation of \$800 for a Startac phone, with lithium battery, vibrate ring, two lines, and a 3-year warranty. And members of the Appropriations Committee got on the telephone, called around. Bell Atlantic Mobile quoted over the phone a price of \$600 for an identical phone.

This is not the Pentagon, with a \$700 toilet seat, but, nonetheless, this is the kind of thing that also gets into newspapers if it does not get addressed and dealt with. And I am giving you an opportunity to respond here.

You are familiar with this disparity?

Mr. CASEY. We are.

Senator BENNETT. I thought you might be.

Mr. CASEY. We are. You said a 3-year guarantee if I am not mistaken, there is also a 3-year signup charge to use it. No? He has an answer.

Senator BENNETT. OK, fine.

Mr. RAVENBERG. Yes, Senator. Usually there is a signup charge for these, depending upon the pricing. Companies do offer special pricing as an incentive for you to sign up for it. If there is not a minimum amount of time that you have to sign up for, there is usually a minimum billing amount for each month.

Other things that you do not get with the Bell Atlantic special, if you will, you do not get the ability to dial 5-digit numbers on the Senate and Hill with that. You also do not get the ability to dial 0 and get the Capitol operator or any of the other services that the Senate plan offers.

I can tell you that our people are constantly pressuring the vendors to get the prices down, so that there is a standard price. We do not offer specials, but the price you get through the Sergeant at Arms is the same price every single day.

Senator BENNETT. Well done.

Mr. RAVENBERG. Thank you, Senator.

Mr. CASEY. That was a guest appearance by Duane Ravenberg, Deputy Chief of Operations.

PROCUREMENT OPERATION

I would also comment. One of the goals that we are charged with, under the strategic plan, is to develop a state-of-the-art, cutting-edge procurement operation. We have hired a procurement specialist, with about 20 years of practice in this area. We have found that we do have some outdated procurement policies and procedures—severely outdated. And we are in the process of rewriting those procurement processes such that when there is an opportunity for us to take advantage of lower costs or other alternatives, we will be able to move to that.

Right now, we simply cannot do it as easily as we would like. We recognize that. And one of the things we find out from our customers is while they may be happy with a lot of the service they get, once they buy the Startac, it is the entry into getting that product that is providing us some problems. So we are aware of that and trying to fix that on a broader scale.

DISPOSAL OF SURPLUS EQUIPMENT

Senator BENNETT. Let us go to the other end of the equation, the disposal of items. What is the procedure for items to be surplus?

Mr. CASEY. That is a difficult situation. We have a number of computers that are beginning to back up now, and we have guidance, legislative guidance, to make sure that those go to educational institutions. It is vague as to how we are supposed to do that. And we are currently just storing them at the GSA pending a solution to that.

Mr. HARRIS. And we are currently in negotiations with GSA. There is an executive branch program for computers to schools. We are working out, with GSA, a process by which the Senate, in the legislation which Mr. Casey referred to, that we are meeting the spirit and the letter of that law.

One thing we did not want to do is replicate the administrative process, and bring on another responsibility, where we could leverage an asset within the executive branch.

Mr. CASEY. Simply speaking, we could give these to GSA, and they could go ahead and send them wherever they wanted to. What we would like to do is to have a little bit more specific control as to where these items go. There is a cost involved in moving them. And we would like to have a little more clarification of that. So that if there is some needy school in Utah, we would be able to excess them a little more specifically.

Senator BENNETT. I hesitate to burden you with personal experience, but I cannot resist. GSA is not the most efficient way of getting rid of surplus equipment. When I was in the Nixon administration, the Under Secretary in the Johnson administration of the Department of Transportation had a particular chair that he wanted. And he got GSA to buy it for him. It was a magnificent Herman-Miller piece of furniture. The then-Under Secretary, when I was serving, did not like the chair. He wanted something more traditional. And he disposed of it in the very efficient way of putting it in the hall.

Well, he got the kind of chair and desk that he wanted. I saw it, lusted after it, and asked if I could have it as my chair. I was told, absolutely, we want to get it out of the hall. And I wheeled it into my office and sat it in the glory for the 2 years that I served in the Nixon administration.

When I left, I was told no one else wanted this particular chair, because it was completely nonstandard of anything in Government, and I said, fine, let me buy it. No; it had to go to GSA. It had to be put in a warehouse. It had to be put up for bids. There had to be proposals all the way around it. And I was told that the chair will be worn out by the time you can get your hands on it, and the cost will be enormous.

I think, if you can stay out of the clutches of GSA when it comes to disposing of furniture or other items, you are going to be a lot better off.

Mr. CASEY. Could you describe the chair, Mr. Chairman? [Laughter.]

Senator BENNETT. I have done my best, Herman-Miller, leather and chrome. It was really wonderful.

One comment back on the disposal of the computers. Does this mean the schools are going to get computers that are not year 2000 compliant?

Mr. CASEY. If they are 386's and before; that is correct.

Senator BENNETT. So we are giving them something that will be good for about 12 months?

Mr. CASEY. Well, I would say that we have a lot of non-386's. Of course, there will probably be 486's that are noncompliant, too.

Senator BENNETT. OK.

Senator Dorgan, do you have any other questions?

Senator DORGAN. No.

Senator BENNETT. Fine. Thank you very much.

Mr. CASEY. Thank you, Mr. Chairman, Senator Dorgan. I appreciate it.

ADDITIONAL COMMITTEE QUESTIONS

Senator BENNETT. Once, again, Mr. Casey, we congratulate you on the job you and your staff are doing. And these are very good numbers, indeed.

Mr. CASEY. Thank you.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Question. When will the Senate be able to produce auditable financial statements?

Answer. The first auditable financial statements will be for fiscal year 2000. During fiscal year 1999, the Disbursing Office will install the new Senate general ledger and procurement systems, convert to obligation- and accrual-basis accounting, and conform back office policies and procedures as the first phase of FMIS. The next phase will incorporate other modules of an integrated system necessary to produce financial statements, such as a fixed asset module which will enable determination of the cost basis and depreciation schedule of assets to be capitalized on the balance sheet of the Senate.

Question. Please update the Committee on the status of the appointment of a new Comptroller General of the United States.

Answer. The Comptroller General is appointed to a 15-year term by the President, with the advice and consent of the Senate. Because the General Accounting Office, which the Comptroller General heads, exists primarily to provide research, review, and analysis for Congress, the applicable statute, 31 U.S.C. 703, establishes a bicameral commission to recommend three or more individuals to the President for appointment. I am assisting the Majority Leader in his capacity as chairman of the commission. The commission has carefully reviewed the qualifications of a large field of candidates, and, on January 22, 1998, recommended three individuals to the President. All three are highly-qualified and are supported by a majority of the commission. To date, the President has not acted on the commission's recommendation.

Question. The Secretary's testimony indicates that some statutory changes may be required to modify the way in which expense categories for Senators are prepared in order to convert to an OMB object classification. Are there any other changes of this type which may be required in order to implement FMIS? When do you expect to submit recommendations?

Answer. At this point, the system design and requirements and the project plan for FMIS are not ready. When a draft project plan is ready, we will prepare a list of statutes and practices of the Senate that could be reviewed in connection with the FMIS implementation, whether to meet current federal financial accounting standards or to facilitate use of commercial off-the-shelf (COTS) software. That list will be transmitted to your Committee and to the Committee on Rules and Administration. Close consultation with both Committees will lead to recommendations as to whether the Senate should consider changing existing statutes or practices, or should modify the project plan.

Question. In your testimony you mention that succession planning will be important for your office to fulfill its constitutional responsibilities in the future. Do you have a plan? Does your fiscal year 1999 budget request include any funds for your succession planning? If so, how much? What will this cost in future years?

Answer. The fiscal year 1999 budget request for the Office of the Secretary does not include any funds specifically for succession planning. We have, however, requested authorization for up to fifteen new positions, primarily in the Disbursing Office to implement FMIS, but partly to plan for succession in selected departments. To the extent possible, the costs of these new positions will be absorbed within the requested budget. The basic plan is to ensure that each department, and particularly the thirteen in which the department head is already eligible to retire, is staffed with one and preferably two individuals who have the institutional knowledge, skills, and abilities required to assume the responsibilities of the department head; in many cases, to acquire such knowledge, skills and abilities takes several years of on-the-job training and experience. To that end, we are promoting from within as much as possible, and we are selecting highly-qualified new hires who are committed to the Senate as a career. We are also studying other employee development and progression alternatives with a view toward developing generalists in the legislative departments who could be capable of succeeding more than one department head. Succession planning will impact future years' budgets in that staffing requirements in some departments will be determined by both the immediate workload and the need to ensure that one or two individuals are trained to assume the department head position.

Question. What is the status of S. 1508, the Visitor Center legislation? What is the House's position?

Answer. The Capitol Visitor Center Authorization Act has been introduced as H.R. 20 by Representative John Mica, and as S. 1508 by Majority Leader Trent Lott, Democratic Leader Thomas Daschle, and Chairman John Warner of the Committee on Rules and Administration. S. 1508 is now before the Rules Committee. H.R. 20 was the subject of a hearing before the House Transportation and Infrastructure Subcommittee on Public Buildings and Economic Development on May 22, 1997, at which witnesses from inside and outside Congress all agreed on the need for the visitor center.

While both the House and Senate bills contemplate that the capital construction costs (including the initial furnishing and equipping) will be provided by the existing Capitol Preservation Fund, and by additional private fund-raising overseen by the appropriate House and Senate committees, questions continue to be raised concerning the Capitol Visitor Center's follow-on costs, including care, maintenance, staffing, and educational programs. In the successful effort to eliminate the federal budget deficit, Congress has set the example by holding the line on Legislative Branch appropriations. Accordingly, there may be some reluctance to proceed with the project if to do so would incur substantial operating expenses with long-term impact on the Legislative Branch budget. Both H.R. 20 and S. 1508 take this concern into account by providing that the Capitol Visitor Center will not become a new

item in the Legislative Branch appropriations. Rather, a new account for visitor center revenues and expenses is to be established, separate from the existing House, Senate, and joint item accounts. The visitor center will produce substantial revenue from retail operations serving the public, specifically restaurants and a sales shop, and a preliminary assessment by the Architect of the Capitol indicates that those revenues, estimated conservatively, will more than offset operating expenses. Moreover, the visitor center is a vital part of the Capitol Police Board's long-term plans for the security of the Capitol Building and Grounds. If it is not constructed, post-2000 expenditures for security, which must be funded from Legislative Branch appropriations, will be significantly higher than amounts reflected in the fiscal year 1999 appropriations bills.

To resolve these questions, last October, Chairman Walsh of the Legislative Branch subcommittee of the House Committee on Appropriations, recommended the hiring of an independent consultant to prepare a detailed evaluation of the full costs of the Capitol Visitor Center project, considering all relevant matters including the costs of operating the center as intended, the projected revenues from retail operations, and the costs and benefits of integrating the security plans. I am advised that the Senate Rules Committee, concurring with Chairman Walsh and in order to expedite the overall project, intends to contract for the study from the Senate contingent fund, possibly before the end of March 1998.

Question. Congratulations on your progress with LIS. It is a system which will be very useful for the Senate far into the future. Given that it is relatively new and you are continually making significant improvements, what efforts are being taken to keep staff informed about developments with this new resource?

Answer. Thank you for your complimentary remarks. LIS is one the very most important technological innovations in the history of the Senate. When the system is fully implemented and its capabilities are fully known on the part of Senate staff, LIS will be an extremely valuable tool to virtually every individual staff member who has legislative responsibilities. The Office of the Secretary is, therefore, building upon and expanding its efforts to fully inform the entire Senate community of the LIS features and capabilities. We are also making special efforts to publicize new developments in the system.

One such effort is to conduct surveys, which serve the dual purposes of informing Senate staff of available features and assessing user needs. About half of all Senate offices participated in the most recent survey, with detailed responses coming from legislative directors, legislative assistants, legislative correspondents, research assistants, and others. The responses clearly confirm that the ability to retrieve information on-line is a significant requirement for Senate staff to carry out their duties, as two-thirds of respondents use the existing services multiple times each day and virtually all do so at least several times a week. The survey asked detailed questions about the types of legislative information that offices need on-line. Nearly all respondents say that they "always need" or "often need" summaries and analyses of legislation, votes taken, and legislative status and calendar information. Most indicate that they "always" or "often" need full texts of legislation, full texts of reports, full texts of the Record, member statements in the Record, and news articles.

The survey further found that the existing LIS, even with its limited capabilities at this stage of development, is used by 87 percent of respondents—a far higher usage rate than for any commercial source. Asked for one preferred source of on-line legislative information, more respondents indicated LIS than the combined responses favoring the three commercial sources in use in the Senate (Lexis-Nexis, CQ/Westlaw, Legi-Slate). The reasons given for preferring LIS included "easy use," "quick response time," "has the information I require," and "the search system does what I need."

In another effort to promote LIS, the Project Office has prepared an LIS brochure, describing the system services that are currently available. The brochures have been distributed to all Senator and Committee offices, the cloakrooms, and the Democratic and Republican Policy Committees, and are also available at convenient sites such as the Copy Center. The Project Office has also circulated "Quick Cards" that briefly and conveniently instruct how to access the Amendment Tracking System, Committee Scheduling Information, and Vote Information. An innovation still in progress is an electronic mailing list, to be used to inform staff of new developments and upgrades to LIS, and also inform staff of scheduled training classes.

Training classes, a function of the Project Office and the Senate Computer Center, provide instruction geared to Senate staff at all levels. Attendees receive LIS training materials and reference manuals that they may retain as information sources for use by the entire staff in their offices.

Because of the critical importance of LIS, the Office of the Secretary is adding two staff positions to focus on LIS communications, education and training.

Finally, and in addition to all of the organized efforts, I will continue to brief Senators personally concerning the progress of LIS, and will be pleased to arrange LIS demonstrations for Senators.

Question. \$5 million of fiscal year 1997 funds were provided for LIS to remain available until September 30, 2000. How much of those funds have been obligated to date?

Answer. \$3,051,903. The total obligations for LIS to date are \$4,104,000. In fiscal year 1997, however, \$1,052,917 was obligated and expended for LIS from other appropriations to the Office of the Secretary, with the Committee's approval. The use of other available funds in fiscal year 1997 reflected an effort to minimize any possibility that we may have to request additional appropriations earmarked for LIS before the system is implemented.

Question. \$7 million of fiscal year 1992 funds were provided for FMIS to remain available until September 30, 2000. How much of those funds have been obligated to date?

Answer. \$204,574; however, new contract terms awaiting finalization will immediately obligate an additional \$536,000.

Question. Last year this Committee questioned whether the Office of Reporters of Debate and Captioning Services would be consolidated. Have you taken any action in that regard?

Answer. Consolidation of the Official Reporters and the Captioners was considered by my predecessor, but no action was taken. It is my feeling that any possible consolidation of these two departments should be considered in conjunction with the new technologies that are appearing on the fairly short-term horizon. Technological change that allows for continuous speech recognition holds out the prospect of revolutionizing the way in which the Record is produced. For the present, it seems that the most appropriate course is to defer any permanent restructuring of the reporting function while we monitor progress in the technologies.

Question. Has the SAA completed an inventory of all information systems supporting the Senate, including the 161 Senate offices?

Answer. Yes, the SAA has a completed inventory of all information systems supporting the Senate. Attachment I contains the overall inventory as requested by GAO during their audit.

Question. Does the Office have a documented project plan for year 2000 compliance? If not, when will it be completed? If so, does this plan include schedules for renovating, validating, and implementing each mission critical system, including mainframe applications?

Answer. Yes, the SAA has a documented project plan for year 2000 compliance. We are providing a copy of it to the General Accounting Office and will submit it to the Committee. The plan does include schedules for renovating, validating, and implementing each mission critical system, including mainframe applications. As specified below, some areas of the plan are more detailed than others.

Utilizing the GAO five-phase approach, the Senate's status on each of those phases is listed below.

Awareness

This phase began in August, 1996, when the initial Year 2000 compliance project was initiated. Letters were sent to each Senate office informing them of the Year 2000 project and requesting information on any non-standard products that might be in use in their office. Letters were sent to departmental directors requesting that each establish a Year 2000 program.

Since that time, a new user outreach program has been initiated with the Customer Relations Department. This program will include monthly columns in *The Inkwell*, a briefing of key Senate user groups such as the Senate Systems Administrators Association, periodic updates to the user community, a Y2K page on the SAA's Intranet site, Webster, and more. This program will be ongoing throughout the Y2K project.

Assessment

Preliminary and follow-up inventories of PC hardware and mainframe applications have been conducted. Risk assessments are now an ongoing function at the individual project level to ensure that contingency plans are developed and implemented if needed. The project office continues to update all inventories to reflect current status.

The Senate's strategy is to replace the major or core business systems that reside on the mainframe. To this end, the Senate has established two major development projects—LIS and FMIS and is creating two additional, non-mission critical

projects—HRIS and MIS. In addition, we have begun the upgrade of the Senate payroll system to a Year 2000 compliant version.

As the Senate has standardized on Compaq equipment, the majority of our desktop and LAN-based systems are Year 2000-ready and can be made fully compliant by applying a simple software upgrade currently available free-of-charge from Compaq. We currently have 1,480 pieces of fully compliant hardware in the Senate and that number increases daily. Based on our current rate of installation, all OA equipment should be fully compliant by August 1999.

Our contract with Mitretek Systems, to conduct an independent assessment of our inventories and Y2K strategies, will be expanded in scope to include assistance with development of Y2K testing and validation methodologies as well as compliancy definitions and a more formal framework in which to work. While they are still in a fact-finding mode, Mitretek has completed a preliminary assessment and we anticipate a final report on their findings and recommendations in April.

Renovation

In preparation for supporting Year 2000 compliant applications, we are upgrading our mainframe. The installation of mainframe components for the new OS/390 year 2000 compliant upgrade to the operating system was completed in November, 1997. Customization and integration testing of system components are currently ongoing. A fully operational system will be available by the original March deadline.

Our core business systems applications (LIS and FMIS) are already undergoing renovation by doing a full-scale replacement of these mainframe legacy systems. The development phase of these replacement programs should be shortened by our use of COTS, or commercial off the shelf, software products. In addition to these major system replacements, our current payroll system is also undergoing renovation solely to make it Year 2000 compliant. The scheduled completion date is the fall of 1999.

Validation

The Senate has not reached this stage for any of its core business software applications. However, the need for confirming test and validation plans is clear and will be addressed shortly under the auspices of the Year 2000 program. With regard to the OA equipment portion of Y2K compliancy, our Technical Review personnel have begun a project to validate and test the efficacy of the Compaq-provided BIOS upgrades which are necessary to make some of our older Compaq hardware compliant.

Implementation

Implementation plans are currently the responsibility of each application project. Guidelines for acceptance testing, data conversion and exchange issues, and contingency planning will be provided to project managers and system users by the Y2K project office.

Question. The budget states that the Operations Division will increase its staff by 3, primarily for year 2000 compliance. Please explain what functions those staff will perform.

Answer. The additional staff will support the Y2K project and the establishment of an information security (INFOSEC) initiative. The staff will consist of a director and professional staff. They will be responsible for implementing the information security plan recommended by a specialist from the National Security Agency. They will provide turn-key solutions, technical and policy advice to Senate offices.

Question. Last year the Sergeant at Arms indicated that he would look into eliminating areas of overlapping management between his office, the Secretary of the Senate, and the Architect of the Capitol. What has come of that inquiry?

Answer. The Sergeant at Arms remains committed to the efficient delivery of services to the Senate community. As the Committee correctly suggests, redundant and overlapping responsibilities lead to poor service and unnecessary costs to the taxpayer.

—Internally, the Sergeant at Arms has completed a reorganization and is in the process of reengineering its operations. We have already identified and eliminated numerous redundancies between the various Sergeant at Arms departments. This includes the consolidation of technical, administrative and customer support units which have led to reduced costs, increased productivity and higher quality of service.

—The Sergeant at Arms has also been an active participant in the Rules and Administration Committee's effort to "strategically align" the services and operations of the Senate's support offices. This has included a review of functional responsibilities of the Sergeant at Arms and the Secretary of the Senate.

As a result of this review, the Sergeant at Arms will transfer several financial functions to the Secretary of the Senate in his role as chief financial officer. Ad-

ditionally, human resource management functions will be consolidated under the Secretary of the Senate. Information technology functions have been consolidated under the Sergeant at Arms.

The need for Senate wide education and training will be met by establishing a single office of Education and Training. This office will be jointly managed by the Sergeant at Arms and the Secretary of the Senate.

—Additionally, the Sergeant at Arms and the Architect of the Capitol are developing plans to consolidate and or transfer duplicative support functions like furniture and cabinet shop services.

The Sergeant at Arms and the Architect have also agreed to develop a single unified customer service and “help desk” operation which will result in a single point of contact for all service available to the Senate community.

The Sergeant at Arms will submit each of the final plans to the Committee on Rules and Administration and the Subcommittee on Legislative Branch Appropriations prior to their implementation.

Question. The Appropriations Committee has noticed that certain standard equipment supplied by the Sergeant at Arms is more expensive and more fully featured than some of the more basic, non-standard equipment that is available on the open market. For example, the Committee has found lower cost, non standard cell phones and fax machines that might be sufficient for occasional, low volume usage. Does the SAA plan to make available more basic, lower cost equipment?

Answer. It is our policy to provide the highest quality and most reliable equipment that is available. We believe that is what is required by most Senate offices. We will over the next year review our standard products and services with the goal of increasing flexibility to satisfy the needs of Members and Committees.

Question. What are the current procedures and policies surrounding when an office returns to inventory the following items: cellular phones, computers, office furniture? What is the procedure for items to be surplus?

Answer. We follow the same procedures and policies for cellular phones, computers, and office furniture. When equipment is returned from a Senate office to the SAA inventory, each item is examined to determine if it is re-usable. A permanent record is created for every disposed item.

If items are obsolete, damaged beyond repair, or in poor working condition, they are disposed of using one of the methods listed below. These procedures are also followed for items declared surplus and made available to Senate staff.

—Sale through GSA.

—Transfer through GSA to another government agency.

—Salvage all usable parts with remainder to be “Junked”.

—Trade-in to Vendor.

—Sale to a Senator or Senate employee.

—Sale to a Firm or Individuals other than a Government Agency.

If items are re-usable, they are cleaned, checked for proper working order and re-issued as needed.

For your information, we have included the disposal policy as listed in the Senate Handbook:

TITLE 2—THE CONGRESS

CHAPTER 4—OFFICERS AND EMPLOYEES OF SENATE AND HOUSE OF REPRESENTATIVES

§ 59c. Disposal of used or surplus furniture and equipment.

Effective October 1, 1981, the Sergeant at Arms and Doorkeeper of the Senate is authorized to dispose of used or surplus furniture and equipment by trade-in or by sale directly or through the General Services Administration. Receipts from the sale of such furniture and equipment shall be deposited in the United States Treasury for credit to the appropriation for “Miscellaneous Items” under the heading “Continuing Expenses of the Senate”. (Oct. 1, 1981, Pub. L. 97–51, § 118, 95 Stat. 964.)

Question. Please provide a copy of the charts used at the hearing.

Answer. The information follows:

ATTACHMENT I

	Mainframe applications and operating environment	Office automation systems—PC's, laptops, file servers	Communication networks—data and voice
Total number of agency systems	34	10,612	2
Number of mission-critical systems	6	10,612	2
Total number of mission-critical systems	6	10,612	2
Number already compliant	1	1,480	.....
Number being replaced	4	1,019	2
Number being repaired	2	8,113	.....
Number being retired .....	.....	.....	.....
COMPLETED			
Milestones for mission-critical systems:			
Assessment	6	10,612	2
Percent	100	100	100
Renovation	1	1,480	.....
Percent	16	14	.....
Validation .....	.....	1,480	.....
Percent .....	.....	14	.....
Implementation .....	.....	1,480	.....
Percent .....	.....	14	.....
COST			
Fiscal year:			
1996	NA	NA	NA
1997	\$2,000,000	\$7,600,000	\$1,700,000
1998	5,900,000	4,600,000	900,000
1999	6,500,000	5,400,000	1,900,000
2000	NA	NA	NA
Total	13,900,000	17,600,000	4,600,000

LIBRARY OF CONGRESS

STATEMENT OF JAMES H. BILLINGTON, LIBRARIAN OF CONGRESS

ACCOMPANIED BY:

DONALD L. SCOTT, DEPUTY LIBRARIAN OF CONGRESS

DANIEL P. MULHOLLAN, DIRECTOR, CONGRESSIONAL RESEARCH SERVICE

OPENING REMARKS

Senator BENNETT. Our fifth panel is headed by the Honorable James Billington, the Librarian of Congress, and Mr. Dan Mulhollan, Director of the Congressional Research Service [CRS]. General Scott, you are going to join us, and we appreciate that, as well.

Gentlemen, we thank you for your patience as we have worked through the other witnesses.

We understand from the GAO, Dr. Billington, that the Library has been working hard to solve its year 2000 problem. And we commend you for getting in front of the curve on this issue. We understand that the Library has been busy taking steps to respond to all of the requirement of the electronic age, not just the year 2000.

I should report that I have had a meeting with the CRS, outside of this formal hearing process. And I have been impressed with how the CRS is managing its work force to be responsive to the Congress, and designing a plan to address the problems of responsiveness. We look forward to hearing the details of that plan, particularly with respect to the succession problem that has been referred to otherwise.

Now, with the darkening of the room, I understand you have some show and tell, in the true spirit of the electronic age, in electronic fashion, so, Dr. Billington, we are in your hands, unless, Senator Dorgan, you have any comments.

Senator DORGAN. Why don't you proceed.

Welcome, Doctor.

OPENING REMARKS OF DR. JAMES H. BILLINGTON

Dr. BILLINGTON. Thank you, Mr. Chairman. Thank you, Senator.

First, I think everyone who is here has previously appeared before the committee, with the possible exception of Elizabeth Zaic, Acting Director, Integrated Support Services, in the Library. And I do have, first, an announcement, Mr. Chairman. We have just received in writing from the General Services Administration confirmation that our rent bill will be reduced by \$800,000. And as a result, our budget request for fiscal year 1999 can be reduced by subtracting the \$800,000 from our "Rental of space" account. We ask that this savings be applied to our request for additional talking book machines. We will provide the committee with further information on this matter.

Senator BENNETT. I congratulate you for reducing the budget by the full \$800,000. There are many agencies that would reduce it by \$200,000, and consider they are a hero.

Dr. BILLINGTON. Well, thank you.

Senator BENNETT. According to the clock and the buzzers, we're going into the end of morning business. All right, good.

Dr. BILLINGTON. Well, let me just highlight just a few points from my full statement before showing the committee a very short video on the electronic aspects of the Library, and then asking our magnificent Deputy, General Scott, to make a few brief remarks, if that is agreeable, Mr. Chairman. We will try to keep this very short.

LIBRARY'S MISSION

The Library is, as you know, a totally unique institution, with a national mission to serve the Congress and to facilitate the creative use of the world's knowledge for the good of our Nation.

Senator BENNETT. There is a rollcall vote. And I think the best thing for us to do is simply recess the subcommittee, run over and vote, and return as quickly as we can.

[A brief recess was taken.]

Senator BENNETT. The subcommittee will come to order.

Our apologies. The business of the Senate sometimes does intrude on the business of the Senate. That is one of the scheduling problems we wish we could solve, but we cannot. So we are in your hands, Dr. Billington.

Dr. BILLINGTON. Thank you, Mr. Chairman.

A key problem in our time is that the very nature of collections is changing. Knowledge is increasingly being generated and communicated in electronic and ephemeral forms. With a growing flood of unsorted electronic information that is becoming available today, the Congress and the Nation, I believe, needs more than ever, a trusted knowledge navigator—which is what we believe the Library of Congress to be—to help sustain our knowledge-based democracy.

Our public culture, moreover, is, Mr. Chairman, in danger of moving back down the evolutionary chain from knowledge to information, from information down into miscellaneous and often totally unfiltered broad and unverifiable raw data, and perhaps, beyond that even, just to an unsorted and often ungrammatical stream of consciousness that is flooding into the Internet. So there is really a major problem here.

We may be sinking down rather than rising up to the twin peaks of wisdom and creativity that rise above a plateau of knowledge and which have really made democracy dynamic in this country. After all, the whole country was invented by people who were rooted in knowledge and had some of those qualities.

LIBRARY'S CHALLENGES

To sustain all this, basically, a knowledge-based democracy, in an information-inundated and unvalidated world, the Library of Congress has to collect, preserve, make secure and accessible this rapidly proliferating, often confusing, electronic universe, while still protecting intellectual property rights—our constitutional mandate—and, at the same time, continuing to collect and service

nonelectronic materials, the volume of which also continues to increase, as whole new streams, cultures, participants in the intellectual knowledge-generating business come all over the world.

This gives us a daunting set of challenges. And I am glad to report that, overall, we are doing more, for more people, with 12 percent fewer staff than in 1992. We are enormously grateful for this committee's support, and particularly for the integrated library system last year, which is enabling us to build a platform on which all further progress will be based.

The institution is, however, severely stretched by its necessary commitment both to sustain traditional services and to effect our transition to an increasingly electronic world.

We are, I think, in many ways, national leaders, and even world leaders, in some of our electronic delivery activities. We are getting 500,000 hits internally, here in Washington, and another 2 million hits every day more broadly from around the Nation and the world. We need the committee's continued support, including funding mandatory pay increases and unavoidable price level increases, which is well over one-half of our increased request this year, plus \$2 million for the replacement of personal computers that will not work after the year 2000.

General Scott will talk more about that in a minute.

LIBRARY'S BICENTENNIAL

Last year, we celebrated the 100th anniversary of the Thomas Jefferson Building, so magnificently restored by the Congress, and inaugurated the Library's bicentennial efforts for the year 2000, which will be our 200th anniversary. They are being carried almost entirely by private funds.

Our theme for the bicentennial is gifts to the Nation, which is what the Congress has done by creating, sustaining and sharing with the broader American public both the mint record of America's creativity, through the copyright deposit, and the greatest collection of knowledge ever assembled in one place on this planet, which is one way of defining the nearly 113 million items in all formats and languages the Library has.

We hope to both dramatize and demonstrate the essential role that the Library of Congress and all libraries of our unique library system, of which we are an integral key part, play in keeping democracy dynamic. I hope we can have the committee's support. We appreciated your support in the past, and I would appreciate it continuing so that the Library can head into the 21st century, with expanded digital holdings and with the systems in place that can maximize service to the Congress and to all Americans in the localities where they live across this Nation.

Each of you have a packet of materials providing further information about the Library. We have a short video to give the committee a quick look at the real progress we are making, and explaining one of our emerging electronic services to the Congress and to the Nation.

PREPARED STATEMENTS

And then General Scott will have a few words. And then we will be glad to answer your questions, Mr. Chairman.

[Whereupon, a videotape was shown.]

[The statements follow:]

PREPARED STATEMENT OF JAMES H. BILLINGTON

The Library of Congress, the oldest Federal cultural institution in the country, will be 200 years old on April 24 in the year 2000. With congressional support and direction, the Library has developed a massive collection of more than 113 million items, a superbly knowledgeable staff, and cost-effective networks for gathering in the world's knowledge for the nation's good.

The Library has a proven record of making knowledge and information accessible to users everywhere—evidenced by the exponential rate of growth in the Library's Internet transactions and the wide public acclaim of its website. The Library directly serves the Congress and the entire nation with the most important commodity of our time: information. The Library's critical role as a trusted knowledge navigator for the Congress and the nation is made more important than ever by the growing flood of unsorted information available today.

The Library's mission is to make its resources available and useful to the Congress and the American people and to sustain and preserve a universal collection of knowledge and creativity for future generations. The Library's first priority is to make knowledge available and useful to the United States Congress. This primary purpose can be realized only if the Library continues to acquire, organize, preserve, secure, and sustain its incomparable collections for present and future use. These are the top priorities in the Library's 1997–2004 Strategic Plan (see attachment 1), closely followed by the imperative to make the Library's unique collections and resources maximally accessible to the American people.

Funding the Library's fiscal 1999 budget request is critical to our current efforts: to provide and enhance service to the Congress, to add content to the National Digital Library, to continue arrearage reduction, to maintain a modern copyright system, to ensure strong collections security, to maintain service to blind and physically handicapped people, and to implement preservation improvements, particularly for the Library's audio-visual materials. The Library's budget request for fiscal year 1999—\$369.3 million in net appropriations and \$27.7 million in authority to use receipts—supports these and other strategic priorities. This is a net increase of 6.5 percent over fiscal 1998, which includes \$12.8 million to fund mandatory pay raises and unavoidable price-level increases and \$9.6 million to meet critical growing workload increases (net of program decreases).

As the Library moves towards its Bicentennial in the year 2000, we are working to develop a substantive program focused on leveraging private-sector support that will result in significant Gifts to the Nation. The Congress has made its Library over the years a cornerstone in our unique national library system. The Library provides services that save other libraries millions of dollars a year: inexpensive cataloging information, free surplus books, free inter-library loans, and 23 million free items every year to the blind and physically handicapped. All of this and more are directed to, and reach the American people through, other libraries.

The historic investment the Congress has made in the Library's staff, collections, and facilities is now bringing rapidly increasing benefits to people in their localities all over America as access grows daily to the Library's information about the Congress and to the content of the Library's collections via the Internet. In the scant three-and-one-half years since we launched on-line the National Digital Library, the popular response to the content we are offering has continued to astound us. In fiscal 1996, our Internet transactions numbered 134 million; in fiscal 1997, they more than doubled to 345 million. By late 1997, the Library was receiving some two million Internet electronic transactions every day (in addition to more than 500,000 internal electronic transactions that are handled every workday).

The National Digital Library program is our major gift to the nation, which will make millions of interesting and important items in a variety of media available on-line in local communities throughout America by the year 2000. Open access is the basic principle of our public library system—and is more important than ever in helping prevent a division between information “haves” and “have-nots” in the electronic age. The Congress, through its library, is ensuring that the tools of learning—and of learning about America—will be universally accessible in the next millennium.

To continue to move forward—for the Congress and the nation—the Library requests funding for the following major new items or initiatives in the fiscal 1999 budget: (1) additional automation hardware, software, and services to ensure that the Library's operations continue and that on-line access is available electronically after the Year 2000 century change; (2) implementation of key elements of our security plan, including additional security aides to operate X-ray scanners at public building entrances and anti-theft devices for the collections; (3) additional funds for the Congressional Research Service to support a staff succession plan to help ensure continuity of high-quality congressional services; (4) funding for off-site collections storage at Fort Meade, Maryland (print materials) and Culpeper, Virginia (audio/visual materials); and (5) the purchase of an additional 5,000 talking book machines to ensure their reliable availability for blind and physically handicapped people.

In this time of budget constraints, the Congress has continued to be very supportive of the Library, increasing our budget over the past several years. However, the actual number of appropriated full-time equivalent (FTE) positions has declined by 539 or 11.9 percent since fiscal 1992. The Library's fiscal 1999 budget asks for a partial recapture of the FTE's lost since fiscal 1992 by requesting funding for 42 additional FTE's (net of program reductions)—a level that is still 9.3 percent lower than fiscal 1992. The Library is not requesting additional FTE's to operate off-site collections storage sites. We plan to use contract support for these new activities.

The Library is working on ways to carry out its mission in a more economical manner by re-engineering major business processes. Because the Library's services are extremely labor intensive (some 70 percent of our budget is for payroll costs), future economies must come primarily from redesigning or modifying our major operations and from investing further in automation; both will improve the productivity of our staff. Implementation of the Legislative Information System (LIS), the Integrated Library System (ILS), the Electronic Cataloging in Publication (ECIP) system, the Copyright Office Electronic Registration, Recordation and Deposit System (CORDS), and the Global Legal Information Network (GLIN) will make it possible for the Library to do more for less in the future. However, these initiatives will not provide significant financial savings in fiscal 1999.

Funding our fiscal 1999 budget request, including provisions for mandatory pay and price-level increases, will enable the Library to sustain its basic services while continuing to build more modern operations needed for an increasingly electronic future. In short, we believe the Congress should sustain its fruitful investment in the Library, which has historically been a gift to the nation and will be even more important for the next millennium.

MAJOR ACCOMPLISHMENTS DURING FISCAL 1997

During fiscal 1997, the Library developed a 1997–2004 Strategic Plan, a Security Plan, and a Year 2000 Plan; provided objective, timely, nonpartisan, and confidential legislative support to the Congress on a wide range of issues; reduced our uncataloged backlog by another million items; completed key provisions of the Library's long-standing *Cook* class action settlement agreement—making back-pay awards, promotions, and reassignments; received an unqualified “clean” audit opinion on the Library's fiscal 1996 consolidated financial statements; strengthened the security of our collections; celebrated the 100th anniversary of the Thomas Jefferson Building; and inaugurated the Library's Bicentennial efforts.

The Library improved services to the Congress and the nation through technology—installing the first release of the legislative information retrieval system, recording dramatic increases in Internet usage, and receiving many Internet awards (see attachment 2). The Library is making tangible progress towards meeting our Strategic Plan objectives and preparing for the 21st century.

LIBRARY'S BICENTENNIAL AND THE INFORMATION AGE

Planning for the Bicentennial commemoration in 2000 began in 1997 with the appointment of a steering committee of senior Library managers under the leadership of the Librarian of Congress. The Bicentennial goal is “To inspire creativity in the century ahead by stimulating greater use of the Library of Congress and libraries everywhere.” The Library's 200th anniversary is a unique opportunity to revalidate the historical role of libraries as centers of learning and to reinvigorate the nation through greater use of libraries and wider access to knowledge. The Bicentennial theme of “Libraries—Creativity—Liberty” reflects the essential role that the Library of Congress and all libraries play in a dynamic democracy.

To ensure that the Library's operations continue and materials remain available electronically after the Year 2000 century change, to improve automation security and planning, and to continue critical automation projects, the Library is requesting

an increase of \$3,281,395 (net of a \$2,040,000 planned reduction for the Integrated Library System). Major elements of this increase are:

Computer Workstations and Equipment.—The Library is dependent on computer workstations as the primary tool to perform most tasks and requires an increase of \$2,000,000 to fund the replacement of 700 computer workstations. The Year 2000 century change makes a number of early model computers unusable and requires the Library to accelerate their replacement. The Library also requires \$1,200,000 to purchase additional server and storage equipment. The growth in on-line content and the transition from the traditional computer mainframe environment to the more modern client/server-model which utilizes large UNIX servers and magnetic disk storage devices require more equipment to store, process, and deliver ever-increasing quantities of current and historical information.

Computer Security.—Increased use and dependence on computer technology and integration and connection of automated systems via networks have increased the importance of computer security. The Library is requesting \$668,784 to fund two FTE's, software, and disaster recovery contract services. The Library needs to focus additional resources on both preventing a potential disaster through improved security and implementing disaster recovery plans.

Information Technology Services FTE's.—The Library's workload has increased in areas such as legislative information retrieval system support, technology planning, and electronic mail support. The Library requests funding for six FTE's and \$506,352 to ensure that critical automation projects for the Congress and the Library have sufficient technical support.

Law Library Automation Support.—The Library is requesting three FTE's (\$240,201) and \$100,000 in contractor support to make possible the Law Library's ability to make the transition to an increasingly digital environment. Twenty percent of legal information used to respond to congressional requests is now available only in electronic form; and this percentage is growing. Automation support is crucial if the Law Library is to keep up with this rapid change and provide more access to more information with limited resources.

Integrated Library System.—Implementation planning for an Integrated Library System (ILS) began in 1997. An ILS will provide a computer platform that is Year 2000-compliant and will improve Library operations and collections security. Library staff are evaluating responses to the Request for Proposals (RFP) issued last year and will present an implementation plan for Congressional approval prior to procurement of the system. The fiscal 1999 budget includes \$3,544,000 (a reduction of \$2,040,000 from fiscal 1998) for annual system maintenance charges and software fees, for additional computer equipment, and for contract services to convert massive manual files.

SECURITY OF LIBRARY STAFF, COLLECTIONS, AND FACILITIES

A highlight of fiscal 1997 was the completion of a comprehensive Library Security Plan, which was approved by the Senate Committee on Rules and Administration on February 2, 1998. The plan provides a framework for the physical security of the Library's collections, facilities, staff, visitors and other assets. Collections security is the centerpiece. The plan was developed by a team of security professionals, curators, and senior librarians. The plan articulates a collections prioritization scheme that establishes five different levels of risk, providing the strongest protection for the Library's Treasures and other rare items and appropriate degrees of security controls for other parts of the Library's collections. The process of assessing the status of collections security within custodial divisions has been initiated, and the completed assessments enable the Library to prioritize the use of limited security resources.

Consistent with security planning, the Library is requesting an increase of \$2,458,331 to enhance entry security, to record ownership markings on materials as early in the acquisition process as possible, and to conduct additional detailed risk assessments within areas that process, store, serve, and transport collections materials.

For entry security, the Library needs 13 additional FTE's (\$355,331) to staff X-ray scanners and metal detectors at public entrances, which would bring our entry security up to the standards outlined in our plan. The budget also includes funding for X-ray scanners and upgraded metal detectors (\$627,000).

The security plan highlights the vulnerability of items that are in process prior to their marking and tagging. The Library is requesting \$993,500 in the Copyright Office appropriation for theft detection devices and contract staff to apply them.

OFF-SITE STORAGE AND PRESERVATION

The Library's preservation and arrearage reduction efforts are linked to the development of secondary storage sites to house processed materials and to provide for growth of the collections through the first part of the 21st century. The first storage module at the Fort Meade, Maryland campus, which employs cardboard boxes on wide-span shelving and houses paper-based collections (primarily books) is scheduled for occupancy by the end of fiscal 1999. In addition, the Library's Audio Visual Conservation Center in Culpeper, Virginia is scheduled for acquisition by gift during 1999. The Library is requesting \$1,320,724 for start-up costs at Fort Meade, Maryland and for six months' funding at both of these off-site storage locations. The Architect of the Capitol is also requesting a new operating allotment for the Culpeper Center in the amount of \$119,000 and an increase of \$81,000 for electricity and fuel oil costs in the "Capitol Power Plant" appropriation to cover the Culpeper facility's utility costs.

AUDIO/VISUAL EQUIPMENT

The Library is requesting an increase of \$643,000 for the Motion Picture Broadcasting and Recorded Sound (MBRS) equipment base (from \$232,700 to \$875,700) to replace old, failing equipment. MBRS equipment provides research access for media formats which are no longer produced, and the replacement of equipment is critical to continuing access to audio-visual materials for researchers and staff. The current base cannot handle the replacement of 70 equipment pieces that are either in danger of imminent failure or approaching that category.

LAW LIBRARY

The Law Library of Congress maintains the largest collection of legal materials in the world and also houses a unique body of foreign-trained lawyers to supply legal research and analysis, primarily for the Congress on the laws of other nations, international law, and comparative law. More than 200 jurisdictions are covered or some 80 percent of the sovereign entities of the world that issue laws and regulations. The Law Library utilizes this talent to maintain and develop the breadth and depth of a demanding collection, as well as to provide reference services whenever and for as long as either chamber is in session (as mandated by the Congress). These are daunting responsibilities. The U.S. Courts, the executive branch, and the legal community also depend heavily on the Law Library's collections.

The Law Library's FTE's have declined from 98 in fiscal 1992 to 91 in fiscal 1998. While the Law Library has been creative in attempting to meet its responsibilities, particularly with the development of its Global Legal Information Network (GLIN), a multinational legal database, funding for five FTE's (\$251,750) is crucially required. The five FTE's would restore reference services to an acceptable level, increase the number of legal research courses taught to congressional staff, improve book retrieval services (which improves all activities), and expedite legal report preparation for the Congress.

COPYRIGHT OFFICE

The Library's Copyright Office promotes creativity and effective copyright protection—annually processing more than 620,000 claims, of which 560,000 are registered for copyright, and responding to more than 420,000 requests for information. More than 850,000 works received through the copyright system are transferred to the Library, forming the core of the Library's immense Americana collections.

The Library is requesting an increase of \$1,266,000 to improve the security of the collections by tagging and marking Copyright Office materials upon receipt, by conducting additional risk assessments, and by implementing the automated reader registration system. All of the Copyright Office's security initiatives are consistent with the Library's security plan (discussed above) and are critical to the protection of the nation's intellectual heritage.

The Library is requesting two changes in its authority to use Copyright Office receipts. First, a reduction of \$2,340,000 is requested to reflect the end of receipts accompanying filings from the GATT Uruguay Round Agreements Act (Public Law 103-465). Second, an increase of \$1,000,000 is requested for additional discretionary fee charges (e.g., special services). The Library is requesting authority to use the additional \$1,000,000 in projected receipts to support the Copyright Office Electronic Registration, Recordation, and Deposit System (CORDS) project (\$356,058) and to improve the registration process (\$643,942). The additional receipts for CORDS would expand development and testing efforts.

CORDS is the electronic future of the Copyright Office and provides the public with an electronic means to submit copyright claims and documents which streamline internal processing. Development as well as testing will continue through successive phases culminating in a significant number of electronic registrations over the Internet in fiscal year 2000. In the year 2004, the Library expects to receive at least 100,000 works in digital form: census data, films, music, encyclopedias, scientific papers, legal documents, and much else.

The Congress revised the structure by which statutory fees are determined four months ago (Public Law 105-80, November 13, 1997). The new law authorizes the Register of Copyrights to increase statutory fees; to do this, a cost study is required along with an economic analysis of the proposal, which explains the various considerations, for example, in addition to cost, operational factors, and public policy concerns. Taking into consideration the timetable for comments from public hearings, the economic analysis, and Congressional review, the Library did not include a statutory fee increase in the fiscal 1999 budget.

CONGRESSIONAL RESEARCH SERVICE

As a shared source of nonpartisan analysis and information, CRS is a valuable and cost-effective asset to the Congress. CRS provides every Member and committee with support at all stages in the legislative process, from the formulation of ideas through oversight of programs previously created. In expanding the CRS mission in 1970, Congress embraced and implemented the concept of a cost-effective, pooled research effort in support of lawmaking at all stages. Now more than ever, CRS's importance to the Congress has grown as Congress grapples with increasingly complex legislation, does so with fewer Committee staff, and seeks efficient ways to acquire the objective analysis and information needed to conduct its legislative business.

The Library is requesting \$871,770 to support the hiring of 20 additional CRS analysts to ensure the continuity of congressional services. Half of CRS's staff will be eligible to retire by the year 2006, and according to a staff survey, nearly two-thirds of those eligible plan to do so in that time period. The loss of such a large number of experienced staff poses a threat to CRS' ability to maintain the current level of service to Members and committees in a wide variety of subject areas. The succession plan is designed to provide time to train entry-level staff and build their expertise and knowledge of the legislative process in time for them to take over from specialists who have provided such research and analysis for 20 to 25 years.

I am continually impressed with the uniqueness of the services that CRS provides and its importance to the Congress. No one else does or can do what CRS provides you daily: namely, impartial analysis of the full variety of the knowledge and opinion bearing on legislation. It combines true objectivity with a range of opinion representing diverse scholarship. The expertise required to provide these services has to be learned in the act of doing it—because this type of work is simply not done anywhere else. Therefore, if we are to provide future Congresses with what you have today, we must be able to initiate this replacement process and mentoring plan.

NATIONAL LIBRARY SERVICE FOR THE BLIND AND PHYSICALLY HANDICAPPED

The Library administers a sixty-six-year-old cooperative effort with state and local agencies and the United States Postal Service to provide a free national library program of braille and recorded materials for blind and physically handicapped persons. The Library selects and produces full-length books and magazines in braille and on recorded disc and cassette and provides special playback equipment. Reading materials and playback machines are distributed to a network of cooperating regional and subregional (local) libraries where they are circulated to eligible borrowers and returned to libraries by postage-free mail.

The current budget level (fiscal 1998) for talking book machines would provide for the purchase of some 56,000 cassette book machines (CBM) in fiscal 1999, but the Library projects that \$1,250,000 is necessary to purchase another 5,000 CBM's to ensure the continued availability of the machines for blind and physically handicapped individuals.

LIBRARY BUILDINGS AND GROUNDS

The Architect of the Capitol (AOC) is responsible for the structural and mechanical care and maintenance of the Library's buildings and grounds. In coordination with the Library, the AOC has requested a capital budget of \$6,474,000, an increase of \$3,964,000. The AOC capital budget includes funding for 11 projects totaling \$4,002,000 in appropriations that were requested by the Library. In addition, the Library is proposing, as another project, the transfer of \$1,500,000 in gift funds to

the AOC for the National Audio-Visual Conservation Center at Culpeper, Virginia. Library-requested projects, as well as AOC identified projects, are prioritized based on critical need and in accordance with both the Library's Strategic and Security Plans. The projects (1) improve the security of our staff and the collections by providing additional electronic card readers, sensor devices and other protections; (2) support the preservation of the Library's collections including improved environmental conditions; and (3) ensure the life and safety of the Library's staff and visitors. Properly storing the Library's collections in a secure, safe, and environmentally sound facility is the most important step toward preserving our collections for future generations.

I urge the Committee to support the Architect's Library Buildings and Grounds budget and his position that reinvestment in the existing infrastructure is necessary and a prudent measure to support program operations and to avoid future costly facility costs.

PROPOSED LEGISLATION

The Library has submitted three legislative proposals to our authorizing committees. First, the authorization for the American Folklife Center (AFC) expires on September 30, 1998. The AFC's Board of Directors and the Library are seeking permanent authorization for the AFC. There is consensus within the folklore community on the need for this legislation.

Second, in connection with its Bicentenary, the Library is seeking legislation that would provide appropriate Congressional oversight for the observance and all activities associated with it.

Third, the Library has requested authorization of a revolving fund for fee-based activities as recommended by the General Accounting Office. The Library appreciates the Committee's support last year of a new revolving fund for the Cooperative Acquisitions Program, and we believe that more comprehensive revolving fund authority will permit the Library to operate its fee-based activities in a more business-like manner, while enhancing the accountability of these programs.

SUMMARY

The Library's proposed fiscal 1999 budget supports the Library's mission and strategic plan. The leadership role that the Library requests the Congress to support in the new electronic environment is the needed and logical extension of the historic role that the Library was asked to play in the era of print for the nation: championing public access to knowledge, setting bibliographic standards, and supplying bibliographic data to all libraries. Broadening access to knowledge is increasingly important to any responsible democracy and modern economy, which must be increasingly information-based. Libraries are a link in the human chain that connects what happened yesterday with what might take place tomorrow; they are the base camps for new discovery in the Information Age.

By funding the Library's fiscal 1999 budget request, the Congress would prevent further staff reductions, ensure continued operations after the Year 2000 century change, enable the Library to improve the security of its staff and collections, and permit the Library to head into the 21st century with expanded digital holdings to provide the maximum service to the Congress and to Americans in the localities where they live across the nation.

For fiscal 1999, we submit a budget request that will enable the Library of Congress to continue to make major contributions to the work of the Congress and to the creative life of the American people.

ATTACHMENT 1.—LIBRARY OF CONGRESS STRATEGIC PLAN (1997–2004)

MISSION

The Library's mission is to make resources available and useful to the Congress and the American people and to sustain and preserve a universal collection of knowledge and creativity for future generations.

VALUES

The eight values of the Library of Congress are: Service, Quality, Effectiveness, Innovation, Fairness, Participation, Communication and Excellence.

PRIORITIES/OBJECTIVES

The first priority of the Library of Congress is to make knowledge and creativity available to the United States Congress.

- To fulfill all Congressional mandates so well that the Congress confidently continues to rely upon the Library to meet those needs;
- To meet or exceed needs and expectations of the Congress for legislative research, analysis and information services at a level of sustained excellence; and
- To assure that the Congress is fully cognizant of the services and resources of the Library of Congress, and has ready and reliable access to them.

The second priority of the Library of Congress is to preserve, secure, and sustain for the present and future use of the Congress and the Nation a comprehensive record of American history and creativity and a universal collection of human knowledge.

- To develop and maintain the Library's universal collections in all formats and languages, acquiring them through copyright, gift, exchange purchase, and transfer, in the most timely and cost-effective manner to support the Library's mission;
- To ensure that the Library's collections, both physical and electronic, are appropriately secure;
- To achieve arrears reduction goals;
- To provide innovative and effective bibliographic, intellectual, and physical control that is appropriate, timely, and of high quality for all of the Library's collections;
- To ensure the preservation of the Library's collections for current and future use, using appropriate preservation treatment and technologies;
- To lead the development, maintenance, and dissemination (both nationally and internationally) of standards needed for: effective electronic interchange of documents and bibliographic data; preservation; and the theory and practice of cataloging; and
- To organize, sustain and make more usable the record of American creativity through copyright registration, deposit, and recordation systems.

The third priority of the Library of Congress is to make its collections maximally accessible to Congress, the U.S. government more broadly, and the public.

- To lead in the area of electronic outreach by contributing to a national digital library that provides both broad access to the Library's collections and links to other significant, publicly available information, regardless of its location and format;
- To make the Library's collections available both nationally and internationally through use of digital technology, lending, and document delivery;
- To provide high-quality service to users accessing the Library by telephone, correspondence, and electronic means;
- To sustain high-quality service to users of the Library's reading rooms, research areas, and collections;
- To broaden awareness and use of the Library's special and foreign-language collections and reading rooms;
- To sustain and improve high-quality service to blind and physically handicapped patrons; and
- To develop a plan to continue the National Digital Library Program beyond the year 2000.

The fourth priority is to add interpretive and educational value to the basic resources of the Library in order to enhance the quality of the creative work and intellectual activity derived from these resources, and to highlight the importance of the Library to the nation's well-being and future progress.

- To foster creative scholarship in the Library's unique collections including foreign-language and special-format materials; and
- To promote awareness of the Library and fuller and more varied use of its resources through national and international copyright services, exhibits, concerts, publications, associations, conferences, colloquia, and other interpretive programs.

The Enabling Infrastructure.—To accomplish its mission the Library must have an efficient and effective infrastructure.

Financial Services

To provide financial services (budget, accounting, disbursing and travel) to its clients and to conduct program activities, allocate resources, and ensure accountability; and

- To improve the Library's financial and legal framework, policies and procedures.

Human Resources

To provide human resources leadership in service to the Library's internal constituency;

To formulate and put in place a comprehensive personnel program that will significantly improve timeliness, efficiency and responsiveness to client needs; and

To promote equal employment opportunity at the Library of Congress and facilitate resolutions of disputes fairly and quickly.

Security

To ensure the security of Library staff, visitors, facilities, collections, and other assets.

Support Services

To promote occupational health and safety and to provide a healthy, safe environment for staff and visitors;

To provide facility management, space, and interior design support;

To provide procurement and logistic support; and

To provide records management, mail distribution, printing, and transportation services.

Technology

To align the Library's current information technology resources with its overall priorities and develop technological architecture that will support the Library's objectives;

To improve information technology customer satisfaction; and

To establish and enforce information technology standards that will ensure compatibility of information technology systems.

ATTACHMENT 2.—LIBRARY OF CONGRESS SELECTED LISTING OF AWARDS TO NATIONAL DIGITAL LIBRARY PROGRAM

[American Memory, including Learning Page and Today in History]

Time Magazine Best Web Site of 1996 Award (one of ten sites).—Time Magazine rated American Memory among the ten best Web sites of 1996. December 23, 1996, page 84.

New York Times "Internet Hit".—New York Times, Article about LCWeb and American Memory, "Library of Congress Is an Internet Hit". Sunday, Feb. 16, 1997, p. A18. URL: <http://www.nytimes.com/> (Select "search"; then enter "congress" "internet" "hit" select ALL words.)

PC Magazine Top 100 Web Sites Hall of Fame.—PC Magazine, Includes both American Memory and THOMAS in its Top-100 list, Hall of Fame. American Memory and THOMAS are two of twenty-four sites listed as "Five time champs", making the cut every time, from the first Top-100 listing in July 1996 to the current Top-100 listing in August 1997. URL: http://www.zdnet.com/pcmag/special/web100/_halloffame.htm. American Memory Review: URL: <http://www8.zdnet.com/pcmag/special/web100/lcweb.htm>.

Britannica's 40 Best Sites on the Web.—Britannica's Internet Guide selected 40 websites, out of the 64,000 they indexed, as the "best of the web". American Memory is one of the forty. URL: <http://www.ebig.com/best.html>.

Lycos Top 5 percent of the Internet Award.—Lycos award given to websites, judged to be in the top five percent of the Internet. The LOC web site, including American Memory, received an overall rating of 97 based on a scale of 0–100. URL: <http://point.lycos.com/categories/>.

NII Finalist for Education.—1996 National Information Infrastructure (GII) Awards recognized and honors superior accomplishments in applications of the Internet. American Memory was one of six National Finalist in the Education Category. URL: <http://www.gii.com/nii/>.

Magellan Internet Guide Four Star Reviews.—Magellan Internet Guide rated American Memory four stars out of four. URL: http://www.mckinley.com/magellan/Reviews/News_and_Reference/ (select "Libraries and Reference", select "Libraries", select "US/Public Libraries").

Net Guide Best of the Web.—Five stars awarded to American Memory. URL: <http://www.netguide.com/Site/Detail?siteId=12712>. Three stars awarded to the Learning Page. URL: <http://www.netguide.com/Site/Detail?siteId=95532>.

American Library Association 50+ Great Sites for Parents and Kids.—American Library Association guide to quality family-friendly websites for kids. American

Memory: URL: <http://www.ssdesign.com/parentspage/greatsites.50.html>. Today in History is listed. URL: <http://www.ssdesign.com/parentspage/greatsites/50.html>.

History Channel Recommended Web Site.—The History Channel On-line includes American Memory in: U.S. History, General Resources section of its "recommended" history websites. URL: <http://www.historychannel.com/histlists/us.html>.

Blue Web'n Library of Blue Ribbon Learning Sites on the Web.—Pacific Bell, with its Education First initiative and its Knowledge Network Explorer rated the Learning Page a five-star Resource application. URL: <http://www.kn.pacbell.com/wired/bluewebn/>.

Web Top 40 Education Sites.—Syllabus Web, published by Syllabus Press, lists the Learning Page in its Syllabus Web Top 40 Education Sites. Syllabus Press is an educational publisher. URL: <http://www.syllabus.com/top40.htm>.

The Scout Report.—The Scout Report, published by Internic, is a weekly publication offering a selection of new and newly discovered Internet resources of interest to researchers and educators, featured The Learning Page on March 15, 1996. URL: <http://www.cs.wisc.edu/scout/report/archive/scout-960315.html>.

LEGISLATIVE INFORMATION SYSTEM OF THE U.S. CONGRESS HOME PAGE

CONGRESS THIS WEEK

Floor Now: Senate (internal only), House
 Senate Leadership: Majority, Minority
 House Leadership: Majority, Minority
 Bills This Week: Senate, House, CRS Alert
 Floor Amendments Pending: Senate
 Floor Schedules: Senate, House
 Committee Schedules: Senate, House

BILLS, VOTES, AND LAWS

Bill Summary & Status: 105, 104, 93-Current
 Roll Call Votes: Senate, House
 Legislation Full Text: 105, 104, 103, 102, 101
 Public Laws: 105, 104, 93-Current
 U.S. Code

CONGRESSIONAL RECORD

CR Full Text: 105, 104, 103, 102, 101
 Browse Text: Most Recent Issue
 CR Index: 105-2, 105-1, 104-2, 104-1, 103-2
 Congressional Activity: 105, 91-Current

MAJOR LEGISLATION

Definition of Major Legislation
 105th: Title, Topic, Bill Type/Number, Laws
 104th: Title, Topic, Bill Type/Number, Laws
 Appropriations: Status, Background

GOVERNMENT LINKS

Senate (public)—Webster (Senate only)
 House (public)—Intranet (House only)
 Legislative Reference Sources
 Law Resources; Supreme Court Opinions
 Executive Branch; Federal Regulations
 State and Local Government

QUICK SEARCH

Bill/Amendment/Law Number
 Word/Phrase
 Member
 Committee
 Stage in the Legislative Process
 Roll Call Votes: Senate,
 House Bill Number (105th):

COMMITTEES

Committee Reports Full Text: 105, 104
Committee Schedules: Senate, House
Selected Committee Transcripts: House
Committee Home Pages: Senate, House

SUPPORT AGENCIES

CRS: Home Page, Issue Briefs, Reports
CBO: Home Page, Documents, Cost Estimates
GAO: Home Page, Documents
GPO: Home Page, ACCESS
LOC: Home Page, THOMAS, Books

PUBLICATIONS

CRS Public Policy Literature Abstracts
Cloakroom (Hotline, Greenwire, etc.)
Historical Documents (Constitution, etc.)

DIRECTORIES AND GUIDES

Senate Member List: by name, by state
House Member List: by name, by state
Member Home Pages: Senate, House
CRS Guide to the Legislative Process
How Our Laws Are Made
Enactment of a Law
LEGACY SYSTEMS MIGRATION PLANS: HOUSE, SCORPIO

CONGRESSIONAL RESEARCH SERVICE HOME PAGE

CRS THIS WEEK

Legislative Alert Products
Weekly Update: New/Updated Products
Television Programs
Seminar Announcements

FULL TEXT OF CRS ONLINE PRODUCTS

All CRS Issue Briefs
Selected CRS Reports
CRS FY 1999 Appropriations Products
CRS Electronic Briefing Books

CRS SERVICES

How to Place Requests to CRS
Phone Numbers and Contacts
Reading Rooms and Reference Centers
Customized Research
Confidential Consultations
Orientations, Seminars, and Institutes
CRS Info Packs (Complete list)
CRS Audio Visual Products (Complete list)
Congressional Interns and Volunteers

SEARCH CRS AND LOC FILES

All CRS Issue Briefs (Full text)
Selected CRS Reports (Full text)
CRS Public Policy Literature Abstracts
Books Catalog (Search and order)
Search CRS Web Pages (Search this site)
SCORPIO/SCORPIO Migration Plan

LEGISLATION

Legislative Information System (Congress only)
CRS Guide to the Legislative Process

Bill Summary and Status for 105th Congress
 CRS Legislative Alert Products
 CRS FY 1999 Appropriations Products
 CRS Electronic Briefing Books
 Legislative Reference Sources on the Internet

CONGRESSIONAL STAFF REFERENCE DESK

Basic Reference (dictionary, directories, lists, ...)
 Constituent Services/Media Services
 Scheduling/Speechwriting
 Other Reference Desks/A–Z Index to Reference Desk

INTERNET RESOURCES BY TOPIC

Budget
 Economics
 Elections and Campaigns
 Environment and Natural Resources
 Foreign Affairs and National Defense Law
 Science, Medicine, and Technology

LIBRARY OF CONGRESS

Selected Services of the Library of Congress
 Books Catalog (Search and order)
 Borrowing Books from the Library of Congress
 LOC Home Page (Public access)
 THOMAS (Public legislative system)

This Page: <http://www.loc.gov/crs/crstext.html>
 CRS Home Page: <http://www.loc.gov/crs>

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UNITED STATES COPYRIGHT OFFICE HOME PAGE

“To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries” (U.S. Constitution, Article I, Section 8)

WELCOME

Hours of service and location
 Speeches & testimony, Press releases, international meetings, seminars, lectures

WHAT'S NEW

Project Looking Forward, Copyright Office
 Creates Online News List, Copyright
 Legislation, New and Pending

U.S. COPYRIGHT OFFICE GENERAL INFORMATION AND PUBLICATIONS

Copyright Basics
 Copyright Law
 Compendium II Copyright Office Practices
 Copyright Registration
 Copyright Application Forms
 Copyright Information Circulars
 Form Letters—In Answer to Your Query
 Mandatory Deposit Requirements of the U.S. Copyright Law

Copyright Office Records—How to conduct a search
 Copyright Office Announcements, including Federal Regulations
 CARP & Licensing Information
 Fax on Demand—Copyright information via fax
 U.S. Copyright Office Creates Online News List
 Copyright Office FAQ (Frequently Asked Questions)
 Freedom of Information Act (FOIA)

OTHER COPYRIGHT TOPICS

Copyright Office Reports
 Copyright Legislation—New and Pending
 World Intellectual Property Organization Diplomatic Conference Preparatory Documents
 World Intellectual Property Organization Diplomatic Conference—New Treaties
 CORDS (Copyright Office Electronic Registration, Recordation & Deposit System)
 URAA, GATT amends U.S. law
 Internet Resources Related to Copyright

COPYRIGHT OFFICE ELECTRONIC REGISTRATION, RECORDATION AND DEPOSIT SYSTEM HOME PAGE

Goal.—The goal of the CORDS project is to develop and test a system for copyright registration and recordation with copyright applications, copies of works, and copyright related documents transmitted in digital form over communications networks such as the Internet.

The Copyright Office and the Library of Congress will also cooperatively establish the policies and operating procedures necessary for both the Office and the Library to create secure digital repositories to store, retrieve, and use digitized copyrighted materials in accordance with the terms and conditions of access and use established by copyright owners.

Benefits.—Creators will register their works electronically, transmitting both the application and the works in digital form, with registration information then incorporated into the centralized online database of copyright registration records.

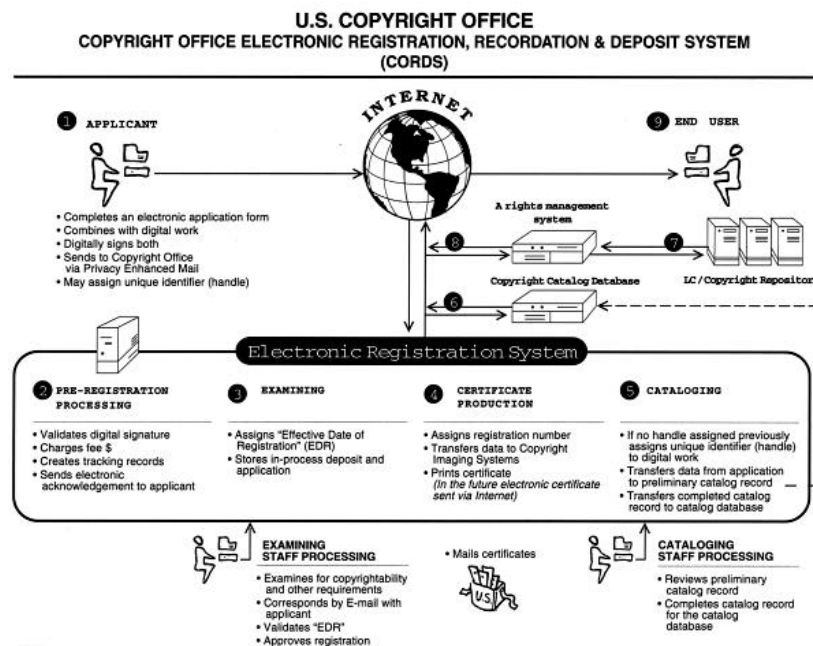
—Copyright owners and agents will record electronically documents pertaining to transfers of copyright ownership (such as assignments, licenses, and security interests) which will be accessible in an online database.

—CORDS will test a Copyright Office repository for registered digital works where access will be governed by the law and regulations. CORDS will also test a Library of Congress repository for digital works selected for its collections. Access to the repository may be available in accordance with the authors' or other copyright owners' terms and conditions.

—Copyrighted works in digital form will be available for the benefit of research, education, and other purposes.

Background.—Since the establishment of the U.S. Copyright Office in the 1800's, the Office has manually handled all the materials submitted for copyright and deposit, as well as the documents submitted for recordation of ownership transfers such as assignments and exclusive licenses.

Description.—Since fiscal year 1993, the U.S. Copyright Office, the Library of Congress, and the Corporation for National Research Initiatives (CNRI) have been co-operating on the development of the testbed Copyright Office Electronic Registration, Recordation & Deposit System (CORDS). CNRI is developing the testbed system under contract with the Advanced Research Projects Agency (ARPA) and the Library of Congress.



The system architecture includes these components:

1. *Electronic Registration and Recordation System.*—This system consists of the hardware and software that will enable copyright applicants to prepare their copyright applications and deposit materials in machine readable formats, to sign their submissions digitally using public key/private key encryption technology, and to send applications, deposits, and documents to the Copyright Office via the Internet, using Privacy enhanced Mail (PEM). This system will enable the Copyright Office to receive digital submissions via the Internet, verify that each one is authentic and complete, debit fees from the applicant's deposit account with the Copyright Office, create an electronic tracking record, acknowledge receipt of the application or document, provide for online processing of applications, deposits, and documents by examiners and catalogers, and notify applicants electronically that the registration or recordation has been completed. The Copyright Office digital repository will hold these digital copyright deposit materials in a secure and verifiable manner.

2. *Existing Copyright Office Systems.*—The system components that process digital applications will interface with existing Copyright Office in-process (COINS) and cataloging (COPICS) automated systems. CORDS records will be compatible and integrated with existing automated Copyright Office records.

3. *Handle Management System.*—Each digital object registered with the Copyright Office will have a single unique identifier called a "handle." The handle is used to locate the digital object and its associated rights and permissions information.

Testbeds.—A testbed copyright registration system with electronic deposits will be available in mid to late 1995 for trial use for copyright registration of a limited number of digital works. Thereafter, a testbed recordation system will be developed and tested as well. As part of the testbed process, the Copyright Office will define the policies and procedures that permit the Office to receive and process copyright registrations and recordations of documents electronically.

Future plans.—After completion of the registration and recordation testbeds, the Copyright Office plans to build on the basic system if sufficient funds are appropriated and available in fiscal year 1996 and thereafter to support further development. After analyzing the testbed project results, the Office plans to incorporate necessary changes and to expand the program systematically in phases, testing electronic submission of other formats of copyrighted materials submitted by representative groups of copyright owners.

THE LIBRARY OF CONGRESS HOME PAGE

AMERICAN MEMORY

Documents, photographs, movies, and sound recordings that tell America's story. Resources for Educators: The Learning Page. New Collections: America from the Great Depression to World War II: Photos from the FSA-OWI, 1935–1945 and An American Ballroom Companion: Dance Manuals, ca. 1490–1920. Collection Previews: Railroad Maps: 1828–1900 and Buckaroos in Paradise: Ranching Culture in Northern Nevada, 1945–1982. New Feature: Today in History.

THOMAS: LEGISLATIVE INFORMATION

Full text access to current bills under consideration in the U.S. House of Representatives and Senate.

EXHIBITIONS

You may have missed them on display in Washington, D.C. but now open indefinitely on the Internet. Updated: American Treasures of the Library of Congress.

LIBRARY SERVICES

Resources for libraries, information professionals, and researchers. These include: Acquisitions, Cataloging, Cataloging Distribution Service, Preservation, Reading Rooms, Research and Reference, Special Programs and Services, Standards, Library of Congress Catalogs, Access to Catalogs at Other Libraries.

RESEARCH TOOLS

Resources for researchers and information professionals. These include the catalogs of the Library of Congress and other libraries, databases on special topics, and other Library of Congress Internet resources.

LIBRARY OF CONGRESS FISCAL 1999 BUDGET

[Dollars in millions]

	Amount	Percent
Library of Congress salaries and expenses	\$239.4	60.3
(Receipts)	(6.5)	.....
Copyright Office salaries and expenses	35.3	8.9
(Receipts)	(21.2)	.....
Congressional Research Service salaries and expenses	68.5	17.3
National Library Service for the Blind and Physically Handicapped salaries and expenses	48.1	12.1
Furniture and furnishings	5.7	1.4
Total appropriated (BA) ¹	397.0	.....

¹ Includes \$27.7 million in receipts.

Source: Fiscal year 1999 budget, p. 1.

LIBRARY OF CONGRESS FISCAL 1999 BUDGET—ALL SOURCES

[Dollars in millions]

	Amount	Percent
LOC appropriation	¹ \$397	75.3
Revolving funds	12.8	2.4
Gift and trust funds	14.6	2.8
Reimbursable prog	87.0	16.5
AOC appropriation	16.1	3.0

LIBRARY OF CONGRESS FISCAL 1999 BUDGET—ALL SOURCES—Continued

[Dollars in millions]

	Amount	Percent
Total funds available	527.5	.....

¹ Includes \$27.7 million in receipts.

Source: Fiscal year 1999 budget, p. 7.

LIBRARY OF CONGRESS YEAR 2000 PROJECT

[Percent of 103 Library of Congress mission-critical systems by disposition]

	Amount	Percent
Systems to be repaired	33	32
System to be retired	1	1
Systems still being analyzed	3	2
Systems already compliant	34	33
Systems to be replaced	32	31

PREPARED STATEMENT OF MARYBETH PETERS, REGISTER OF COPYRIGHTS, COPYRIGHT OFFICE

Mr. Chairman and Members of the Subcommittee: I appreciate the opportunity to present the budget request of the Copyright Office for fiscal year 1999. 1997 was an important year; it was the 100th anniversary of the Copyright Office and of the position of Register of Copyrights. During these 100 years the role of the Office has been one of leadership in the establishment of U.S. copyright policy and service to the nation. The record has been one of solid achievement, and this year is no different.

The Office processed 627,864 claims, registered 569,226 which represented over 700,000 works, recorded 16,548 documents with more than 250,000 titles, collected over \$15,000,000 for our services and obtained over 850,000 copies of works worth over \$25,000,000 for the collections of the Library. Additionally, we handled 421,150 requests for information, and the Licensing Division collected approximately \$185,000,000 in royalty fees.

The copyright-based industries once again were at the forefront of our economy. They grew twice as fast as the rest of the economy as a whole and surpassed every other export sector except automotive and agriculture. These creative industries depend on strong copyright protection here and abroad.

Copyright protects works of authorship which comprise a wide variety of products and services. These include traditional products, such as print materials, films, sound recordings, photographs, sculptures, maps and television programs and electronic products, such as computer programs and databases. Digital technology and the growth of computer and telecommunications networks, particularly, the Internet, have posed many challenges to the protection and enforcement of copyright. These are of critical concern to authors, owners of copyright, as well as to users of copyright material, and the Copyright Office as well as the Congress spent many hours on "digital agenda" issues in 1997.

In fiscal year 1999 the Copyright Office will focus on three major initiatives—

—CORDS (the Copyright Office Electronic Registration, Recordation and Deposit System)

—Security of materials

—Planning for a new schedule of statutory fees and revising the discretionary fee schedule for special services.

With respect to CORDS, there were significant achievements in 1997. Stanford University and MIT Press joined Carnegie Mellon University as test sites and proved the concept of the system. The system's capabilities were expanded to cover additional classes of works, multiple hardware platforms and operating environments, as well as multiple Internet browsers. Planning was done to begin accepting electronic applications with traditional deposits, and a long-range business plan analyzing the costs and benefits was completed. A batch mode interface was created

to support publishers who submit large numbers of claims, and an extensive outreach effort to gain new partners for the full or the partial system is underway.

The Copyright Office and its expert consultants will continue to build on and enhance the basic production system, incorporating changes from the test results as well as the latest advances in technology. The Office must expand the program systematically in a series of carefully constructed test phases; consequently, we are requesting authority, funded through increased fee receipts, to add up to three program analysts and three computer specialists to deal with an increasing workload.

CORDS will play an important role in our networked digital world. It is essential to the future of the Copyright Office. It will also serve as an important electronic acquisition tool for the Library, and an essential component in rights management systems throughout the world.

Let me turn to security. Over a million copies of works come in to the Copyright Office for possible use by the Library of Congress in its collections or exchange programs. Keeping those copies secure is our duty; this year we again made a number of improvements including naming a Security Manager to coordinate our security initiatives, which are part of the Library's Security Plan.

A key component of the plan is expanding the theft detection and accession (ownership) marking programs, and the Office is seeking \$993,521 to ensure the application of anti-theft devices and the marking of all materials. Additionally, when the Library installs its reader registration system in the Madison Building, the Office plans to automate its manual reader registration system in five public service areas. Consequently we are requesting \$47,000 for required computer software and equipment.

Also, the Copyright Office is participating in the Library's Risk Assessment program which will assess vulnerabilities of theft, damage and physical deterioration to the Library's Heritage Assets. In 1997 a risk assessment of CD's and CD-ROM's in the Office was conducted. We are requesting \$225,000 to conduct five additional assessments to identify control weaknesses and develop a plan of action.

Last year I reported on our attempts to get additional fee setting authority. I am happy to report that such authority was enacted into law on November 13 in a technical amendments act (Public Law 105-80). The Office can propose fees up to full cost recovery; however, these fees must be fair and equitable and must give due consideration to the objectives of the copyright system. The proposed statutory fee schedule, which is to be accompanied by an economic analysis, is to be given to the Congress; the fees can go into effect 120 days after the schedule is submitted to the Congress unless during that 120 day period a law is enacted stating in substance that the Congress does not approve the fee schedule.

In anticipation of this legislation, the Copyright Office began the process of determining the costs of registering claims, recording documents and providing related services by hiring a consulting firm with expertise in cost accounting and an expert in the new Federal Managerial Cost Accounting Standards and establishing a Copyright Office Fee Analysis Task Group. The Office believes that certain expenses, e.g., those related to obtaining copies of works for the Library through the mandatory deposit provisions of the law and the Office's policy program are not, and should not be, recoverable through fees. These activities would continue to be funded by appropriations.

The consulting firm was guided by the Federal Accounting Standards Advisory Board (FASAB) cost accounting standards which require measuring, recognizing and reporting the full cost of programs. Full cost is defined as the value of all resources that were applied to the production and delivery of an activity, good, or service. Thus, costs must be identified and recognized regardless of which government entity funded the expenses. This is true even if only a portion of the full cost can be recovered.

With respect to the statutory fees, the Office plans to meet with the copyright industries, authors' groups and other affected parties. The fee structure is complicated; therefore, the Office will publish a list of questions with one or more possible fee schedules and formally seek input through public hearings and public comment. Some of the questions are: Should the registration fee differ according to the type of material being registered? Should a motion picture cost the same as a newspaper or a song? Should a computer program cost the same as a photograph? Should a distinction be made depending on whether the work is published or unpublished or whether the work is one that is made for hire? After considering the cost study, the operational and policy issues as well as the input from the public, the Office will prepare the required economic analysis and propose a schedule of statutory fees to the Congress. Because of these various factors, the fiscal 1999 budget does not include statutory fee increases.

Another provision of the new law allows for a percentage of our prepaid fees to be invested in U.S. securities and the interest earned can be used to improve the Office's operational efficiency. We are implementing this, and it will be operational in fiscal year 1999. The potential annual interest is between \$30,000 and \$50,000.

The Office is also in the process of raising its discretionary fees for existing special services and imposing several new fees. These services are varied and include, for example, expedited handling and first and final appeals of refusals to register. We anticipate that we might receive as much as \$1,000,000 in additional receipts from these fees; however, we are reducing our request for spending authority by \$1,340,000 because of reduced GATT receipts. In 1995 and thereafter the Office sought additional spending authority in anticipation of an unknown but potentially large increase in work brought about by the GATT Uruguay Round Agreements Act, Public Law 103-465, 108 Stat. 4809 (1994). Authors from World Trade Organization countries and countries that are members of the Berne Convention for Literary and Artistic Works had copyright protection restored for many of their works that were in the public domain in the United States. During a specified two year period owners of such works can file notices of intention to enforce their rights with the Copyright Office. For most countries, the filing period was January 1, 1996 to December 31, 1997; consequently, it has expired. The Office requested spending authority for fiscal years 1996, 1997, and 1998 based on potential filings that in fact never materialized; thus, the Office had higher spending authority than what proved necessary. Since few will be eligible to file notices of intent to enforce their copyright, any future GATT filings will have little effect on the budget. The bottom line is that due to higher fees but reduced anticipated GATT receipts, we are requesting spending authority of only \$16,000,000.

Let me conclude with the provision in the technical amendments act that authorizes the Copyright Office to pay arbitrators directly. As you know, the Office oversees Copyright Arbitration Royalty Panels (CARP's), which handle distribution proceedings of royalties collected under certain statutory licenses. In distribution proceedings, the Copyright Office is now empowered to pay the arbitrators directly with funds from the relevant royalty pool. Previously, the parties were billed by the arbitrators, and the parties paid the arbitrators. Because of this change we will need the authority Congress initially approved in fiscal year 1998 to expend up to \$1.8 million from offsetting collections to pay the arbitrators engaged in distribution proceedings in fiscal year 1999.

Thank you, and I welcome your questions which I would be pleased to answer now or more fully in writing.

OPENING REMARKS BY GEN. DONALD SCOTT

Senator BENNETT. Thank you.

General SCOTT. Thank you, Mr. Chairman, for the opportunity to appear with Dr. Billington to present our fiscal year 1999 budget request.

This committee's approval of our fiscal 1997 and 1998 funding levels helped us to establish better management practices and to develop our work force so that they will be more efficient and effective in the new millennium. Mr. Chairman, I would like to highlight a few of those accomplishments that we had last year.

LIBRARY'S ACCOMPLISHMENTS

First, we were able to take Dr. Billington's vision, and the guidance provided by Congress, and to come up with a strategic plan that takes us out to and through the year 2004. As you saw in the video, we have made the Library's holdings more available through electronic means, and we will continue to migrate our systems, so that they can be more compatible with the information age and technology in that regard.

The legislative information system that we put online at the beginning of the 105th has dramatically improved communication between the Congress and other legislative branch agencies. We also managed to educate most of the 560 managers and supervisors that

we have in the Library of Congress. We provided them techniques on how they can get better results and improve the work environment at the same time.

We are currently offering a class for our staff. This is a 1-day class. They will have access to the same information that we hope will help us to better prepare them to do the job for now and the 21st century.

And in the area of financial management, we are very, very pleased to announce that the Library achieved its first ever unqualified, clean audit opinion on our consolidated financial statements from an independent firm. This has been a lot of work, but it helps us show that we are more accountable for the funds that are entrusted to our care, whether appropriated or gift or trust funds. We will work very hard to try to stay in that elite fraternity.

We also managed to cut the arrearage by another 1 million items during last year.

So, in short, Mr. Chairman, we have realized several goals last year that helped our management practices. We think it will continue to improve and modernize our work force so that they can render better service to the Congress and to the American people.

PRIORITY BUDGET ITEMS

Now, as Dr. Billington pointed out, we will continue to need the support and assistance of this committee. Included in this budget request, we have five items that we believe are critical if we are to continue to make progress in this area. First and foremost, we have placed at the highest priority our effort to make sure that all of our automated systems are year 2000 compliant. In that regard, the integrated library system that this committee approved for us last year, which is year 2000 compliant, is scheduled to be installed by the 1st of October, 1999.

That is going to help us improve our collection security. It is also going to help us have a better inventory and help us connect the other operational processes throughout the Library.

Also, we have formed an integrated library system project team that is headed up by a noted and respected librarian, who understands computers. That system is moving ahead. We are currently reviewing requests for proposals. We will present, within the next month, an implementation plan for the Congress to approve prior to us going out to purchase this system.

To complete our year 2000 compliance needs, we have also included in this budget a request for \$2 million, that will purchase computers. The computers that we purchase will replace a like number that we have assessed as not economically feasible to fix. So we are asking for \$2 million to help with this effort.

We have four other items that we are asking for, that we think are very important. In the area of security, we are asking for \$2.5 million to fund key elements in our security plan. In the area of offsite storage, we are asking for \$1.3 million to begin operations at two offsite collection and storage facilities. And for talking books, we have reduced our request from \$1,250,000 to \$450,000. We would like your approval to apply the \$800,000 in rental savings toward the purchase of additional talking book machines for the blind and physically handicapped.

Finally, in the area of congressional staff succession, we are asking for \$872,000 for the Congressional Research Service, to support our staff succession plan, which we believe is very necessary to provide the same high level of service that the Congress now receives and has grown to expect from the Congressional Research Service.

In total, we are asking for a 6.2-percent net increase, which is \$21.6 million over what we asked for last year. Now, 57 percent of that number is for wage and price increases, which continues to be the largest portion of our budget.

Further details that you might ask for, Mr. Chairman, are in Dr. Billington's formal statement and in our budget justification. So my colleagues and I would welcome any questions.

Senator BENNETT. Thank you.

Mr. Mulhollan.

OPENING REMARKS BY DANIEL P. MULHOLLAN

Mr. MULHOLLAN. Thank you, Mr. Chairman, Senator Dorgan.

I am pleased to be here to discuss the fiscal year 1999 budget request for CRS. First and foremost, I want to assure you that we will continue to focus our efforts on offering support for the legislative work of the Congress within the fiscal decisions you make.

I know your time is short; I will be brief.

CRS MISSION

Mr. Chairman, Senator Dorgan, the CRS statutory mission is to provide Congress with, and I quote, "analysis, appraisal, and evaluation of legislative proposals in estimating the probable results of such proposals." In other words, what are the unanticipated consequences of the measure?

To fulfill that mission, it is vital that we maintain without further diminution our analytic and research capacity. Crucial to that purpose, our budget has two requests. First and most importantly, is our request for funding to cover our mandatory costs for personnel, which constitutes 90 percent of the service's total operating budget. The other 10 percent of those costs are allocated for the tools required to perform research and produce analysis. We are also asking that the fiscal year 1999 appropriations cover cost increases due directly to the effects of inflation.

Second, we are asking that the Congress help us to implement part of our succession initiative. Let me stress here that we are not asking the Congress to support the full initiative. We are undertaking most of the activities in support of succession within our current resources. What we are asking, however, is that the Congress assist us for a limited time to add 20 staff in each of the fiscal years, 1999 to 2001, and allow us to use the subsequent 5 years to reduce staff back to current levels.

We seek this assistance because, by 2006, one-half of CRS's current staff will be eligible to retire. Nearly two-thirds of those, about 250 staff, plan to leave in that timeframe. These losses pose a major challenge to our ability to ensure the continuation of our analytic services to you. Some of the losses are right around the corner. By 2000, expert staff who cover such areas as monetary affairs, crime and criminal justice, congressional committee operations, global climate, and defense policy and budget, will leave.

These losses will accelerate, affecting such areas as tax policy, Social Security, and pensions, legislative and budget procedures and processes, and Asian affairs.

By 2006, virtually all areas of legislative support that CRS now provides will be in jeopardy.

Finally, as my written statement emphasizes, we are taking full advantage of the efficiencies and opportunities that existing and emerging technologies provide. As we do, we are concentrating CRS resources on direct service to the Congress. It is, therefore, my responsibility to call to your attention the possible consequences of legislation introduced in both the Senate and the House that, if adopted, could divert our focus away from the immediate legislative needs of Members.

CRS ISSUE BRIEFS AND REPORTS ONLINE

This legislation would require CRS to make all of its issue briefs and reports, which appear on our congressional web site, directly available to the public. Now, we appreciate the compliment inherent in the proposals. CRS has traditionally played an important role in assisting Members in providing their constituents with relevant information and analysis on public policy, and remains committed to doing so.

Last year, 749,000 CRS reports and issue briefs were distributed to Members and committees. A good portion of those were used to inform constituents. Developments in web technology make it possible for CRS to further assist Members and committees in the electronic distribution of CRS products at your election. I believe that the direct disclosure of the information residing on the CRS home page could have significant congressional, operational, and legal implications both for the service and the Congress.

To briefly summarize this concern: First, the proposal may affect your relationship with your constituents, who have historically gone directly to you when they have questions on legislation. Second, it may also change the way CRS frames and analyzes legislative issues. Third, the proposal raises legal questions, such as those related to protection of confidentiality under speech and debate, and copyright obligations. Finally, the proposal could have significant operational costs for CRS.

Mr. Chairman, I would have similar concerns if we were discussing direct public access to the legislative information system. I would like to submit for the record and your consideration, additional materials considering the estimated cost of implementing the legislation, the history of congressional actions on this issue, and legal and constitutional issues involved for CRS and the Congress.

PREPARED STATEMENT

I would be pleased to discuss further any part of our budget request, as well as answer any questions you may have.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF DANIEL P. MULHOLLAN

Mr. Chairman and Members of the Subcommittee: I am very pleased to appear here today to discuss the fiscal year 1999 budget request for the Congressional Re-

search Service. I would like to outline briefly the accomplishments of the Service, to discuss the challenges facing us in the near future, and to assure you that we have and will continue to focus our efforts on supporting the legislative work of the Congress in an effective manner within the fiscal decisions you make.

SUSTAINING THE QUALITY AND SCOPE OF CRS SERVICES

The budget we submit for your consideration today is based on our statutory mission to assist the Congress in the analysis of legislative proposals. To fulfill that mission, it is vital that we maintain, without further diminution, our analytic and research capacity. To do this, we seek funding for three purposes: first, to cover mandatory personnel costs; second, to begin a succession initiative to address the likely loss of a large number of CRS experts between now and 2006; and third, to fund the price level increases which support the conduct of our research and the delivery of our products.

Ninety percent of the CRS budget funds personnel; therefore, the most significant item in our request is for mandatory personnel costs. As part of a legislative civil service, we are required, by law, to make mandated pay raises and to provide within-grade increases and promotions when staff meet the standards of their position plans. As you know, since 1992, CRS staffing has decreased by nearly 100 people due to funding constraints. If these costs are not fully funded, we will have no choice but to reduce our staff further. While we have striven to manage reductions in the past so as to avoid dramatic cuts in service, the cumulative effect of less than full funding for all mandatories is a systematic reduction in our capacity to provide analysis on legislative proposals. In short, further cuts to staff threaten our ability to fulfill our statutory mission.

Succession initiative

Our budget request also seeks funding to assist us in carrying out our succession initiative, which is designed to address an additional threat to our analytic capacity. As I stated in my testimony before this Committee last year, by 2006, half of CRS's current staff will be eligible to retire. Nearly two-thirds of those eligible, about 250 people, have told us that they indeed plan to leave during that time frame. These losses pose a major challenge to our ability to ensure the continuation of our analytic services to the Congress.

The risk CRS faces today is the result of two circumstances. First, the Legislative Reorganization Act of 1970 expanded the statutory mission of the Congressional Research Service to provide the Congress with "analysis, appraisal, and evaluation of legislative proposals" in order to assist the Congress in: (A) determining the advisability of enacting such proposals; (B) estimating the probable results of such proposals and alternatives thereto; and (C) evaluating alternative methods for accomplishing those results; and, by providing such other research and analytical services * * * appropriate for these purposes, otherwise to assist in furnishing a basis for the proper evaluation and determination of legislative proposals and recommendations * * *.

Based on an underlying belief that the Congress needed this expertise, and that it could most effectively and efficiently meet that need through a nonpartisan, shared pool of experts, the Congress subsequently provided funding for a significant increase in CRS staff capacity to implement the Act. Many of the staff hired to fulfill these responsibilities have stayed to make CRS what it is today and are now, or will soon become, eligible to retire.

The second circumstance is the one which has prevented us from fully addressing this demographic situation before now. As a result of the budget constraints we have experienced since 1992, the Service has been unable to fill behind most of the resignations, deaths or retirements of analysts and specialists. Therefore, CRS does not have sufficient staff ready to take over many of the complex areas of analysis as our most experienced staff leave. But for this downsizing, CRS would now have on its staff a greater number of junior and mid-level analysts and information specialists developing their subject expertise, analytic skills, and knowledge of the legislative process and congressional environment. If we had been able to replace staff who left as a result of normal attrition over this time period, we would be in a better position to sustain our analytic capacity even as our most senior people retired.

Our first step in managing such a wholesale loss of senior experts was to develop and implement a continuous process to assess the risks associated with this loss—a risk that is particularly threatening at a time when the Congress faces relatively high turnover in staff and Members, and the complexity of public policy debates increases. We conducted a staff survey to determine the scope of the problem, and undertook a subsequent assessment of the impact of each individual's retirement plan on the Service's overall analytic capacity, by subject area, between now and 2006.

The results of this risk assessment indicate that, as early as the year 2000, CRS will experience diminished capacity in a growing number of subject areas, including civil rights, crime and criminal justice programs, congressional committee operations, executive management and personnel, global climate change and earth science, and defense policy and budgets. After the year 2000, the losses in analytic and research capacity accelerate, affecting areas such as tax, legislative and budget processes, elections, social security and pensions, and expertise on Asia. By 2006 virtually all areas of legislative support that CRS provides to the Congress would be affected.

The CRS staff eligible to retire in the next six years are our most senior, independent, and authoritative analysts and specialists. Unless we can get a "head start" on replacing them, we will have to wait until the year they retire, and hire their replacements without sufficient lead-time to bring those replacements up to the level of competence necessary to sustain our current analytic and research services. Under this scenario we would have to hire replacement staff at the mid- or senior-levels to minimize service disruptions. Our experience hiring at these levels results in concern that we would be less likely to find a sufficient degree of diversity in the applicant pool than would be the case with entry-level hires. In addition, mid- and senior-level experts may not have all of the quantitative skills that are now standard requirements in public policy graduate schools. These skills have become increasingly critical to serving the Congress as we analyze research and information and formulate methodologies to analyze alternative methods for approaching public policy issues like health, social security, transportation, and tax.

To address this risk, we have adopted a number of strategies within our current resources. We developed procedures to provide more flexibility in assigning work to staff on-board, including formal assignments and professional details; we also have undertaken organizational adjustments. We have provided upward mobility to staff through formal programs including participation in the National War College, the Industrial College, and the Fulbright fellowship program. In addition, we have reinstated the Graduate Recruit Program—a program that allows us to hire a limited number of students enrolled in graduate programs who anticipate completion of their graduate degrees during the subsequent academic year. We also are using a formal resource allocation process to fill vacancies in the highest risk areas and track the outcome of these hiring decisions.

In developing our succession initiative, we examined extensively other public and private sector succession efforts. We were careful in our design to minimize the likelihood of creating another workforce cohort that would cause the need for future succession planning of this scope. The combination of hiring at the entry-level (our intentions for the succession plan included in the budget request), and hiring at mid- and senior-levels (for some types of positions) will help us avoid creating a similar "bulge" in the future. This initiative represents our best thinking on how we can address the concentrated loss of expert staff while sustaining our analytic capacity in those subject areas most heavily affected.

Objectives and Structure of the Succession Plan

The plan is designed to bring new staff to CRS before our experts retire so that their institutional memory on issues, their knowledge of the legislative process, and the CRS service qualities of confidentiality, objectivity, timeliness, accuracy, and responsiveness can be passed on. We have tried to minimize the additional resources needed from the Congress for this plan by managing most of the succession initiative within current CRS resources. The assistance that we are requesting from the Congress through our budget request for fiscal 1999 would temporarily increase our staff by 60 over a three year period (fiscal 1999–2001) then reduce staff by ten each year for the following four fiscal years and by twenty in the final year of the plan (fiscal 2006). By 2006 CRS would return to the fiscal 1997 authorized staff level. We believe that our succession plan is fiscally sound and limited in scope—we are asking for only 60 staff to transition through the potential loss of nearly 250. In addition, our analysis supports the conclusion that we can achieve the out-year reductions in staff through expected retirements. The Service's fiscal 1999 appropriation submission requests 20 FTE's and \$871,770 to implement Phase I.

During the fiscal 1999 to fiscal 2001 period the new staff hired under the plan would work closely with senior analysts in an apprenticeship capacity, whereby the senior staff could share their knowledge and experience in their discipline within the legislative context. While entry-level staff will come with strong analytic and research skills, their academic training must be supplemented with on-the-job training and experience within the legislative environment. To maximize the development of subject expertise and knowledge of the legislative environment, our experience has been that the best training is working through budget and appropriation

cycles and reauthorizations of major legislation. This work exposes new staff to the type of analysis that uniquely informs the various stages of legislation—from policy formulation and conceptualization to introduction and analysis of various bill proposals to hearings to committee reporting to floor debates to conference consideration to final passage to implementation and finally to oversight.

Our experience has shown that the development of these unique skills takes four to five years. During this time staff learn how to work independently. They acquire and refine skills and develop the ability to (1) understand the legislative and budget procedures as practiced; (2) examine issues from an unbiased, nonpartisan perspective; (3) present analysis and research in a manner and form that best meets the clients' legislative needs; (4) develop and maintain contacts with subject experts in academia, government agencies, and elsewhere; and (5) perhaps most importantly, develop trust relationships with Members and staff. Each of these attributes is critical if CRS is to continue the close support on which the Congress has come to rely.

Price Level Increases

The third item in our budget request is for funding to cover price level increases which support the conduct of our research and the delivery of our products. A significant element of this support is technology and the opportunities it provides to the Service to more effectively carry out our statutory mission. It is in this context that I offer the following summary of some of the many uses CRS is making of our electronic resources:

The CRS Home Page.—This secure web site makes key CRS services available to the Congress electronically through the CAPNET. We are continually enhancing the CRS Home Page to offer the Congress a dynamic, hyperlinked, and interactive platform that makes available the latest information and analysis to assist the Congress in its legislative work. Congressional users can access the full text of Issue Briefs and selected reports and the weekly Legislative Alert. In 1998, we hope to expand the Home Page to provide the Congress with the full text of more of our congressional distribution products. We are also designing "Electronic Briefing Books"—a new concept that will integrate key information and analysis on active legislative issues and present them in easy to use electronic formats. In addition, we are exploring new ways of preparing reports, taking advantage of electronic capabilities in graphics, map designs, and interlinking among information resources, particularly with the Congress' Legislative Information System.

Enhanced security of computer and information systems.—CRS is working diligently to protect information from unauthorized access, to assure that congressional users will be provided uninterrupted service, and to plan for disaster recovery. Work is well under way in this area and is being led by a CRS Systems Security Team. This team has undertaken an agency-wide security assessment and has consulted with the National Security Agency; designed and delivered a program to educate all CRS staff on security matters; developed a formal process for reporting and tracking unusual activity on our electronic systems; and instituted strict password protocols for all CRS systems.

Year 2000 Compliance.—CRS has been aware of the implications of Y2K compliance for several years and has been formulating plans to test, certify, and replace our systems for some time. CRS prepared a report for the Congress in 1996 on the implications of Y2K for computer systems nation-wide. This report is cited in S. 22, a bill to establish a commission on the Year 2000 computer problem, sponsored by Senator Moynihan. We also have been developing contingency planning to address disruptions that might occur to the critical systems within our control. Our goal is to confirm Y2K compliance for all our systems by the end of this year.

The Legislative Information Retrieval System (LIS).—The Service also remains committed to assisting the House and Senate refine its Legislative Information Retrieval System, the LIS, to advance the timely availability of and accessibility to critical legislative information. The LIS offers a wealth of information to the Congress and to legislative branch agencies on current legislation, floor action, amendments, the full text of the Congressional Record, and its links to other legislative agency Internet sites. The Senate Committee on Rules and Administration and the Committee on House Oversight established policies and provided oversight as CRS worked with the Library of Congress' Information Technology Office to design, develop, and deliver the first release of the retrieval system at the start of the 105th Congress. CRS continues to work closely with these committees, the officers of the House and Senate, and with congressional users to enhance the system so that it can replace the previous systems by the start of the next Congress. The most recent enhancements to the LIS, specifically designed for the Senate, are links to information on recorded votes and amendments pending on the Floor. I am also pleased to report that the Congress has chosen to include in the LIS several sites on the CRS

Home Page, including our appropriations page, our appropriations status table, the Legislative Alert, our Public Policy Literature file, our guide to the legislative process, and our legislative reference sources and law sources.

I also would like to draw your attention to the results of a recent survey initiated by the Secretary of the Senate. The survey indicates that 92 percent of the Senate respondents go on-line, either often or always, for analysis and summary information about legislation. The LIS is the most cited resource for that information. I also found encouraging that when the respondents cannot find certain legislative information on-line, they most frequently go to CRS for assistance.

DISTRIBUTION OF CRS WRITTEN PRODUCTS TO THE PUBLIC

As my testimony today has emphasized, we are making every effort to concentrate CRS resources on direct service to the Congress and to take full advantage of existing and emerging technologies. It is therefore my responsibility to call to your attention the possible consequences of a proposal which, if adopted, could divert our focus significantly away from the immediate needs of the Congress.

As the Members of this Committee are aware, legislation has been introduced—S. 1578 in the Senate and H.R. 3131 in the House—requiring that all CRS issue briefs and reports, which appear on our congressional Web site, be made directly available to the public by CRS via the Internet. While my colleagues and I appreciate the compliment inherent in the proposal for direct dissemination, I believe it is important to bear in mind the implications of such a major change in congressional policy.

Implications for Member-Constituent Relations

First and foremost, I am concerned that this proposal threatens the important relationship that Members have with their constituents. Historically, constituents have gone to Members of Congress when they have questions about legislation. As such, the Congress has reserved for itself the right to distribute CRS materials to the public (either by utilizing the contents of a CRS analysis, forwarding the analysis in whole or in part, or downloading sections of an electronic version of the CRS analysis to be incorporated into the response). Likewise, receiving constituent correspondence directly assists Members in their understanding of constituent awareness, concerns, and preferences regarding public policy decisions. The wholesale direct dissemination of CRS products to the public would bypass this longstanding relationship by denying constituents the benefit of their Members' additional insights, party viewpoints, or regional perspectives on CRS analyses.

Consequences for CRS Operations

In addition to these direct impacts on Members, CRS believes that wholesale direct dissemination of CRS products would have serious consequences for the Service itself, requiring us to divert scarce resources away from our statutory mission. Our analysts inevitably would have to shift the focus of much of their work away from the direct needs of the Congress to address the much more diffused and varied perspectives and interests of the public. Currently, CRS is the only organization, public or private, that continually updates the same product to focus our analysis on the point where congressional decision-making in each Chamber is occurring at the moment. In order to meet the immediate demands of a pressed congressional calendar, CRS authors often provide minimal context and background in their analyses, assuming the congressional reader's knowledge of the various stages of the legislative process, the distinctions between authorizing and appropriating decisions, and similar matters. Were CRS authors to broaden the coverage and scope of their products to meet the needs of an expanded, non-congressional audience, they would do so at the expense of refined, concise analysis targeting the needs of Members and staff working directly in the legislative arena. Simply put, working for an audience of 535 Members is quite different from working for 535 million individuals, or whatever the world-wide Internet audience is today.

Another consequence of wholesale dissemination is that much of the efficiency envisioned in our business plan to deliver services in an electronic environment would be lost. We have designed our Home Page to make our reports, issue briefs, and services readily available and to present them in a format that can be customized by each congressional client, allowing the user to draw from it that information of greatest value, modify it, and easily explore related topics both within CRS and through links to outside sources. Increasingly, the analytic products created by CRS are drafted with the full expectation of the augmentation possible through those electronic links. As an evolving interactive, interconnected and constantly updated resource tool for the Congress, our Home Page is not merely a repository for completed documents; nor is it primarily a document delivery system. Having a second

CRS Web site directly available to the public, which cannot take advantage of such links will require us to establish two vehicles of service, and, given limited resources, will diminish our effectiveness in meeting your legislative needs.

Legal Issues

Additionally, S. 1578 and its companion House bill raise significant legal issues for CRS. Wholesale dissemination of CRS products could bring into question the availability of speech or debate clause protection undermining the presumption of confidentiality, which is so crucial to the trust relationship between CRS and our congressional clients. Relevant Supreme Court rulings indicate that the dissemination to the general public of CRS products would not be considered a legislative act but would be viewed by the courts as an exercise of Congress' representational function, for which speech or debate immunity is not available. Those engaged in the preparation and public distribution of CRS products could be vulnerable to a variety of judicial and administrative proceedings. Wholesale dissemination also carries with it the risk of copyright infringement claims. If access to CRS products is broadened, our ability to use copyrighted material in our reports might be restricted or denied altogether.

Cost Factors

A final concern posed by S. 1578 involves the costs to CRS of implementing this legislation. Some of these "costs" are quite difficult to quantify, such as the effects of possible loss of speech or debate protection or the consequences of diminishing the constitutional role of Members as direct providers of information to their constituents. In other areas, although cost estimates may be more feasible, they must be regarded as somewhat speculative, inasmuch as CRS has no previous experience dealing with direct large-scale dissemination of our products and thus cannot readily anticipate the behavior of Members and the public in this context.

With these caveats, and recognizing that our analysis is still ongoing, I can say to you with confidence that enactment of legislation such as S. 1578 would require a substantial commitment of CRS resources in four key areas:

First, staff time would have to be devoted to creating and maintaining a separate CRS Web site for dissemination to the public.

Second, additional costs can be expected to handle the anticipated, and indeed inevitable, large increase in direct contacts between CRS and the general public resulting from wholesale direct dissemination.

Third, we anticipate that the heightened public profile of our reports and issue briefs, combined with the fact that many non-congressional users do not have the capacity to download documents or may hear of CRS products but have no Internet access available to them, will lead to an increased demand for the paper copy of CRS products in the form of Member requests to CRS on behalf of their constituents.

Finally, Members themselves, concerned that our products will be circulated far more extensively than in the past, would likely place many more requests for tailored, confidential memoranda in order to afford themselves the opportunity to reflect upon and consider questions emerging from legislative proposals before having to respond to public inquiries. Confidential memoranda designed for a single client, which cannot be released to other Members without the requestor's consent, are far more expensive on a per-unit basis than products which can be available (either electronically or in hard copy) to all interested congressional offices.

Mr. Chairman, in recent years the Congress has assumed proportionately larger cuts than the Executive Branch, thereby reducing the overall resources available for congressional operations. I am deeply concerned that the enactment of S. 1578 would create a new public mission for CRS that inevitably would divert precious funds from what must remain our primary mission—to provide analysis and information to assist you in understanding and assessing the consequences, both intended and unintended, of the legislative proposals before you.

To summarize our position on this issue, we believe that S. 1578 raises significant issues, both for the Congress and for CRS, which you and your colleagues may wish to consider before you decide to change the policy governing the dissemination of our products. My testimony today does not represent a CRS position on this issue, for this decision clearly rests with the Congress. However, it is my responsibility to inform you of possible unintended consequences or implication of such a change in policy. To assist you in your deliberations, I would like to submit for the record additional materials concerning the history of congressional action on this issue, the legal and constitutional issues involved, the estimated cost of implementing this legislation, as well as the more general question of Members' potential liability for disseminating material over the Internet.

In conclusion, Mr. Chairman, CRS submits to you today a budget that takes into account the efforts throughout the legislative branch to adapt to continuing fiscal constraints. We ask you today to consider the three elements in our request: (1) to provide us funds to support increases in mandatory staff costs; (2) to support our succession initiative by permitting us to temporarily increase our staff size to ensure the availability of expertise to the Congress; and (3) to fund price level increases. The goal of this budget request is to support our critical programs within limited resources, and allow us to continue fulfilling our statutory mission. We want the Congress to turn to CRS first when legislative research and analysis are needed, and we keep this focus as we work each day with you and your staff.

Mr. Chairman, I would be pleased to discuss these issues in more detail and to answer any questions that Members of the Subcommittee might have.

CONGRESSIONAL POLICY CONCERNING THE DISTRIBUTION OF CRS WRITTEN PRODUCTS TO THE PUBLIC—JANUARY 2, 1998

The following discussion reviews congressional policy concerning distribution of CRS products to the public and addresses issues for consideration by the Congress in determining whether to alter current policy regarding public availability of various CRS products, such as Reports and Issue Briefs.

As set forth below, CRS at present is precluded by law from general public distribution of its materials without prior approval by a congressional oversight committee. The Congress has actively exercised its oversight authority regarding CRS publication practices and has developed and promulgated standards to be applied in evaluating specific proposals. Current guidelines from the Joint Committee on the Library and other congressional bodies, issued in 1980, restrict the vast majority of CRS written products to congressional use and distribution to the public on a selective basis only.

Many years of congressional consideration of this issue reveal serious concerns about the institutional and legal consequences likely to result from the wholesale direct public distribution of CRS products with a potentially large circulation (e.g., CRS Reports and Issue Briefs).

BACKGROUND ON CURRENT CONGRESSIONAL POLICY CONCERNING THE DISTRIBUTION OF CRS WRITTEN PRODUCTS TO THE PUBLIC

Summary

Congress has historically reserved to itself control over the dissemination of CRS products to the public on the principle that CRS, as an extension of congressional staff, works exclusively for the Congress.

To maintain congressional control over dissemination, a provision has been included in CRS annual appropriations acts since fiscal year 1952 requiring prior oversight committee approval for any CRS publication (as noted above, "publication" refers to wholesale release of CRS products directly to the public).

Congress has never authorized the wholesale public dissemination of CRS analytical products such as Reports or Issue Briefs (and has seldom authorized publication of other products), whether by CRS or the Congress, but rather has preferred to rely on congressional release of individual products on a case-by-case basis.

To further indicate the degree of congressional control over CRS products, Congress, the courts, and administrative tribunals have declared CRS communications to the Congress to be privileged under the Speech or Debate Clause of the Constitution and to be under the custody and control of the Congress. These determinations have assured the maintenance of confidentiality in CRS relationships with congressional clients, a critical element of CRS effectiveness and an expectation of those who seek its assistance.

Current Restrictions and Guidelines.

At present, CRS is precluded by law from general public distribution of its materials without prior approval by one of its two congressional oversight committees. This restriction results from a limitation that has appeared in CRS' annual appropriations acts in each year since fiscal year 1952. This provision reads as follows:

"Provided, that no part of this appropriation may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of

either the Committee on House Oversight or the Senate Committee on Rules and Administration.”¹

The most recent policy statement from Congress regarding the publication of CRS written products came in 1980. In a communication, dated March 21, 1980, the Joint Committee on the Library reaffirmed:

“Congressional policy that the circulation of CRS materials prepared specifically for congressional use be limited to the Congress, and that the long-standing policy of confidentiality in the work of CRS for individual congressional clients should be maintained. We believe that, as in the past, CRS and its oversight committees should consider the publication of only those CRS products whose release to the general public would be compatible, both in terms of cost and product content, with the CRS’s obligations to the Congress.”

The 1980 guidelines were developed subsequent to a 1978 proposal to CRS by the National Conference of State Legislatures (NCSL) under which CRS would have received access to the files of State research materials abstracted by the NCSL, and also would have had the opportunity to order copies of desired items for use in answering congressional inquiries. In return, CRS would have provided the NCSL with periodic listings of CRS Reports (called “multiliths” at that time) and with only one copy of those CRS Reports which the NCSL requested. Under this proposal the NCSL also would have gained access to certain files from the Library of Congress’s SCORPIO system, including CRS Issue Briefs.

On September 27, 1978, the Joint Committee on the Library held a hearing to consider the CRS-NCSL exchange proposal. At the hearing, the Committee concluded that any transmission of CRS material contained in SCORPIO to non-congressional users via computer terminal would constitute a “publication” and thus, under the terms of the language contained in CRS’s annual appropriations legislation (noted above) would require the prior approval of either the Committee on House Administration or the Senate Committee on Rules and Administration. Moreover, members of the Joint Committee expressed serious reservations about any activity that might divert CRS resources and priorities from its statutory responsibilities to Congress. Finally, members of the Committee expressed the view that it was appropriate for Members of Congress, rather than CRS, to determine whether and to what extent various CRS products should be publicly disseminated. As a result, no action was taken to implement the proposed CRS-NCSL exchange.

The March 21, 1980 guidelines were followed later that month (March 27, 1980) by enactment of a Senate Resolution. (S. Res. 396, 96th Congress). The Senate resolved:

“That it is the determination of the Senate that the communications of the Congressional Research Service to the members and committees of the Congress are under the custody and control of the Congress and may be released only by the Congress, its Houses, committees and members, in accordance with the rules and privileges of each House.”²

Senate Majority Leader Byrd, in introducing the Resolution, noted CRS’ role in advising members and committees on legislative issues and that CRS “thereby provides a service to the Members and committees of Congress which is equivalent to that performed by the staffs of Members and committees.”³

Over the years, and at the request of CRS, the Joint Committee on the Library has authorized a very limited number of CRS publications for broader distribution through depository libraries, the sales program of the Superintendent of Documents, and to the public through individual purchases. In addition, several CRS products are published as the result of specific statutory authorization: the Digest of General Public Bills and Resolutions (Bill Digest);⁴ and three publications for which CRS has been given responsibility by the Librarian of Congress: the Constitution of the

¹ For the current version of this provision, see Pub. L. 105–55, 111 Stat. 1190 (1997).

² 126 Cong. Rec. 6892 (March 27, 1980). This Senate Resolution directed the Senate Legal Counsel to represent the Senate and CRS in respect to a Federal Trade Commission administrative law judge’s “sweeping subpoena [on behalf of oil companies involved in a FTC proceeding] to the Congressional Research Service for documents which discuss the oil industry and governmental policy in relation to it.” *Id.* The Resolution stated that “the communications between the Congressional Research Service and the members and committees of the Congress are an integral part of the legislative process and privileged under the Speech or Debate Clause of the Constitution.”

³ *Id.*

⁴ 2 U.S.C. 166(d)(6).

United States of America, Analysis and Interpretation (Constitution Annotated);⁵ and the national high school and college debate topic manuals.⁶

Current Accessibility of CRS Written Products

With few exceptions, congressional offices are the exclusive source for distributing CRS Reports and Issue Briefs to the public. Member offices use CRS products to develop their own understanding of policy issues and options and to inform their constituents regarding these issues and options. The principles of representative government and of legislative accountability hold that representatives have an obligation to provide their constituents with the information and understanding required in order to exercise democratic citizenship; that is, the democratic idea that the authority of those who govern rests on the consent of those who are governed, calls for democratic consent to be fully informed and enlightened.

It is well known, both in Washington, D.C. and by interested parties throughout the country, that constituents may obtain copies of CRS written products through a Member or Committee of Congress. In addition, congressional offices often respond directly to constituent requests for information on particular subjects by sending copies of CRS Reports and Issue Briefs. For example, during fiscal year 1996, 690,000 copies of CRS Reports and Issue Briefs were sent to congressional offices. Some percentage of these are sent on to constituents—either because constituents asked for them specifically or as a means of answering constituent requests for information.⁷

Moreover, current technology now enables Members and Committees to make CRS products available to constituents in electronic format through congressional Homepages. Recent enhancements to the CRS Issue Brief system, initially released to Congress on the CRS Homepage and now available also through the new Legislative Information System, make CRS Issue Briefs available in World Wide Web format (HTML). This upgrade makes it easier for Members and Committees to add Issue Briefs to their own Homepages for their constituents to the extent such availability is deemed appropriate by Members and Committees. Selected CRS Reports are also available to the Congress electronically through the CRS Homepage.

ISSUES ASSOCIATED WITH THE WHOLESALE RELEASE OF CRS PRODUCTS TO THE PUBLIC

Institutional Issues

The direct, wholesale dissemination by Congress of Reports and Issue Briefs would have significant effects on the policies, resources, and institutional culture that CRS utilizes in serving the Congress.

First, CRS' mission is to support the Congress exclusively. Given its limited resources, CRS can undertake services to non-congressional entities (such as the public) only at the expense of direct support of the Congress. While the direct and indirect costs associated with disseminating Reports and Issue Briefs are difficult to estimate with precision, it is clear that significant resources would have to be diverted from congressional services. For example, with wider product distribution, particularly to users of the Internet/World Wide Web, CRS is more likely to get calls, comments, and requests for additions and changes that would place a burden on CRS analysts, distracting them from their work for Congress. In particular, outside parties may judge and question CRS papers on the basis of standards other than the standards CRS has developed to meet congressional needs (e.g., timeliness, non-partisanship, balance, objectivity). It is reasonable to anticipate that the volume of communications between CRS and the public, currently manageable, would rise substantially and affect the Service's ability to meet the needs of congressional requester. Any mechanisms developed by CRS to shield analysts from these demands would of course also involve resource commitments.

Second, CRS analysts now direct their writings, focused on legislative issues, to congressional audiences. The closeness of CRS to the legislative process and the sensitivity of the Service's traditional culture of exclusively supporting Congress' legislative needs shape the nature and content of its written products. If CRS written products were routinely available on a wholesale basis to academic and other professional peers outside the Congress, CRS analysts might become more conscious of the need to address views, methods, disciplines, and expectations of non-congressional professional peers, with the result that CRS written work could shift away, or appear to shift away, from its current emphasis on the congressional audience.

⁵ 2 U.S.C. 168.

⁶ 44 U.S.C. 1333.

⁷ CRS has not undertaken to survey congressional offices to determine this precise percentage.

With an awareness that a CRS Report would be disseminated to the public, Members may increase the number of confidential requests that they place with CRS in order to ensure that they are provided an opportunity—should they so desire—to reflect and consider questions that emerge from evolving legislative proposals before they have to respond to public inquiry about the resulting issues. This increase in confidential requests requiring more tailored responses would diminish the ability of CRS analysts to prepare reports that are generally available to Congress and that serve a broader congressional audience. With this increase in tailored analysis would come the necessity of duplicating more analysis because of the demand of those Members who request that their examination of a legislative proposal remain confidential at that point in the legislative process.

A third, related concern is potentially increased pressure from interest groups and lobbying organizations on CRS analysts concerning the content of their reports and the impact this pressure may have on serving the direct needs of the Congress for analysis and information that is non-partisan, objective, and balanced. Enhanced internal mechanisms would have to be developed to ensure that communications with interested parties did not deflect CRS analysts from producing products that are free from advocacy and bias, resulting in a further diversion of resources from direct service to Congress.

Fourth, CRS staff serve by statute as an extension of Member and committee staff. The release by Congress of CRS Reports and Issue Briefs may set a precedent leading to greater pressure to have studies prepared by congressional staff for Members' exclusive use (e.g., committee staff studies distributed to entire committee membership) to be disseminated directly to the general public. It might be difficult for Congress to articulate a convincing rationale for granting public access to the Service's work but denying equivalent access to materials prepared by other shared staff (e.g., committee staff) that are distributed to more than one Member. Thus, a policy of providing Members' constituents with the same materials that Members themselves draw upon to make legislative decisions could have serious implications for the functions of staff and their relationship with Members.

Legal Issues

This section considers three pertinent legal issues associated with the wholesale dissemination of CRS products to the public. The first two issues involve the speech or debate clause of the Constitution and the third deals with intellectual property questions.

1. Widespread electronic dissemination to the general public of CRS Reports and Issue Briefs would be more likely than dissemination pursuant to current policy to precipitate litigation in which speech or debate clause immunity would not be a defense.

Since its 1972 ruling in *United States v. Brewster*, the Supreme Court has limited the immunity afforded under the speech or debate clause⁸ to "legislative acts," which were distinguished from a range of activity described as "entirely legitimate" but unprotected by the speech or debate clause because it was considered to be "political in nature."⁹ In several cases relevant to the applicability of speech or debate immunity to the public distribution of CRS products, the Court has relied on the dichotomy established in *Brewster* to hold that congressional activities intended to inform the general public are outside the scope of the speech or debate clause. Notably, in *Doe v. McMillan*, the Court found that the clause might not protect the Public Printer and the Superintendent of Documents from liability for distribution of a committee report, which contained material alleged to have invaded individual privacy rights, beyond "the legitimate legislative needs of Congress * * *."¹⁰

The dissemination (by Members and/or their aides, by CRS, or by a congressionally designated entity) to the general public of CRS products would not be viewed as a legislative act but would be considered to be an exercise of Congress' represen-

⁸ U.S. Constitution, Art. 1, § 6, clause 1.

⁹ 408 U.S. 501, 509, 512 (1972).

¹⁰ *Doe v. McMillan*, 412 U.S. 306, 324 (1973) (emphasis added). The Court remanded for a determination as to whether the extent of distribution by the Public Printer and the Superintendent of Documents had exceeded "the legitimate legislative needs of Congress, and hence the limits of immunity." *Id.* On the remand, the lower courts upheld the claim of immunity as to the Public Printer and Superintendent of Documents (374 F. Supp. 1313 (D.D.C. 1974), *aff'd*, 566 F.2d 713 (D.C.Cir. 1977), *cert. denied*, 435 U.S. 969 (1978)), but the court of appeals expressly reserved the question of the availability of immunity "in a case where distribution was more extensive * * *." 566 F.2d at 718. Apparently the only copies distributed outside the federal government in the events that precipitated the suit in *McMillan* were approximately 172 of 796 copies that had been distributed to various federal agencies.

tational function, for which speech or debate immunity is not available.¹¹ Those engaged in public distribution of CRS products, as well as CRS analysts who prepare the products, may be vulnerable to a variety of administrative and judicial proceedings. In such actions, litigants might seek, for purposes of discovery, the files of CRS analysts or litigants might ask for damages or injunctive relief barring further distribution of a particular report or issue brief. Litigants might also claim damages in suits alleging copyright infringement.

It would seem that these kinds of actions would be more likely to occur as a result of widespread electronic dissemination to the general public of CRS products than from the current practice of limited distribution (e.g., dissemination by a congressional office of a single hard copy of a particular CRS product to a constituent or incorporation of a CRS product in a committee report or hearing).

2. *Widespread electronic public dissemination of CRS products would jeopardize the confidentiality of CRS files and hamper a claim of constitutional immunity by CRS.*

Widespread electronic circulation of CRS products to the general public could set CRS on a course accompanied by uncertain legal consequences.¹²

An inevitable consequence of widespread distribution of CRS products to the general public would be an increase in public awareness of the research and analysis prepared by the Service for Congress, which could escalate the efforts of litigants to obtain, for purposes of discovery, CRS analysts' files. These discovery attempts might seek not only information and data used to develop CRS Reports and Issue Briefs but also related material from the Service's files.

Speech or debate immunity may provide a valid defense in such discovery proceedings if the subject of the proceedings is a protected legislative act.¹³ However, it is noted that, even in those cases in which CRS succeeded in defending against discovery efforts, the litigation would place a burden on CRS and other congressional resources¹⁴ and could put judges in the position of arbitrating disputes concerning the confidentiality of communications between CRS and Congress.¹⁵ Claims of speech or debate immunity would be subject to review by the courts, potentially including *in camera* inspection of material as to which a claim of privilege is made¹⁶ and segregation of protected from non-protected material.¹⁷ Arguably, this type of judicial sifting of legislative branch materials would impinge upon the interest in confidentiality served by the speech or debate clause.¹⁸

Further, for two reasons, it is uncertain whether Congress would prevail in litigating such matters. First, it is possible that a court would not precisely differentiate among the information in the superficially similar types of documents in a CRS subject file and would grant litigants access not only to publicly available information but also to confidential communications between the Service and congressional offices. Second, in previous instances in which CRS has been involved in litigation or agency proceedings, the judicial or agency decision has emphasized that CRS performs a legislative function and that its staff functions as an adjunct of Member and committee staff.¹⁹ With wider dissemination of CRS products to the general public, this longstanding perception of the Service and the nature of its communications to the Congress could be altered, eventually putting at risk speech or debate protection for the Service's confidential work. In other words, extensive involvement by CRS in the direct public information function could lead courts and

¹¹ See, e.g., *Doe v. McMillan*, *supra*; *Hutchinson v. Proxmire*, 443 U.S. 111 (1979).

¹² As one legal journal has observed, in addressing the Internet and other computer-related issues, the courts are on "uncharted water." *Thou Shalt Not Trespass—Even in Cyberspace*, New Jersey Lawyer, Sept. 1, 1997, at p. 10.

¹³ See, e.g., *Brown & Williamson Tobacco Corp. v. Williams*, 62 F.3d 408 (D.C.Cir. 1995).

¹⁴ Discovery attempts to obtain CRS file materials have often been defended by the offices of House General Counsel or Senate Legal Counsel. See, e.g., S. Res. 291, 101st Cong. (resolution directing Senate Legal Counsel to represent a CRS attorney in *Smith v. IRS*, No. 3778-89 (Tax Ct. 1990)).

¹⁵ See *In re Grand Jury Investigation*, 587 F.2d 589 (3d Cir. 1978); *United States v. Eilberg*, 507 F. Supp. 267 (E.D.Pa. 1980).

¹⁶ See, e.g., *Benford v. American Broadcasting Co.*, 98 F.R.D. 42 (D.Md. 1983), *rev'd on other grounds sub nom. In re Guthrie*, 733 F.2d 634 (4th Cir. 1984).

¹⁷ See, e.g., *United States v. Helstoski*, 442 U.S. 477, 488 n.7 (1979).

¹⁸ The courts are divided on the question of whether the speech or debate clause was intended to ensure confidentiality for legislators. Compare *Brown & Williamson Tobacco Corp.*, 62 F.3d at 420 with *In re Grand Jury Investigation*, 587 F.2d at 597.

¹⁹ See *Webster v. Sun Oil*, 731 F.2d 1 (D.C.Cir. 1984) and 790 F.2d 157 (D.C.Cir. 1986) (communications to CRS analyst are within scope of common law privilege for communications to a legislative body); *In re Exxon Corporation*, 95 F.T.C. 919 (1980) (FTC subpoena for CRS documents barred by speech or debate immunity and separation of powers doctrine; CRS performs an "essentially legislative function").

administrative agencies to reconsider their perception of CRS as playing a significant and unique support role in the legislative process, and thus some day might hamper a claim of immunity even in an instance in which CRS was fulfilling its legislative function.²⁰

3. *There is some risk of assertion of copyright infringement if CRS materials are made available online to members of the general public.*

United States copyright protection is not available for U.S. Government works.²¹ Those portions of a public document authored by the U.S. Government are in the “public domain”—freely and widely available to the public without restrictions placed on their dissemination. However, the government’s inclusion of copyrighted material in a government publication does not thrust that material into the public domain or impair the rights of the copyright owner.²²

CRS may incorporate preexisting material in its written responses to congressional requests. Although such material is often from public domain sources, in certain instances the material, appropriately credited, may be from copyrighted sources. To the extent that the material is copyrighted, CRS either: obtains permission for the use;²³ considers its information-gathering function protected by the speech or debate clause; or believes that the use falls under the “fair use” doctrine of the Copyright Act²⁴ as applied in the context of the legislative process.

The exclusive rights²⁵ of the copyright owner are qualified or limited by enumerated exceptions.²⁶ Unless excused by a statutory exception, the unauthorized use of a copyrighted work is considered an infringement. Fair use is one of the limitations on the copyright owner’s exclusive rights and may be invoked as an affirmative defense to a claim of copyright infringement.

The copyright statute does not expressly include congressional use of copyrighted works as a fair use. However, both the House and Senate Reports on the Copyright Act of 1976 include the “reproduction of a work in legislative or judicial proceedings or reports” among examples of fair use.²⁷ The legislative history also contains an observation that publication of copyrighted material in Congressional documents would constitute fair use “[w]here the length of the work or excerpt published and the number of copies authorized are reasonable under the circumstances, and the work itself is directly relevant to a matter of legitimate legislative concern * * *.”²⁸

Thus, in an infringement action, a court might regard the publication of copyrighted material in a Congressional document for legitimate legislative purposes as a “fair use.” If, however, the use is outside of such legislative purposes, it is possible that a traditional fair use analysis might result in liability for copyright infringement. Wider dissemination outside the confines of Congress would further complicate the “fair use” question.²⁹

The copyright laws do not contain an exemption from copyright infringement for unauthorized use of copyrighted materials by the U.S. Government. Subsection 1498(b) of Title 28 of the U.S. Code provides that the exclusive remedy of a copyright owner for copyright infringement by the United States is an action against the United States in the U.S. Court of Federal Claims “for the recovery of * * * reasonable and entire compensation * * * including the minimum statu-

²⁰ See, *Doe v. McMillan*, note 9, *supra*.

²¹ 17 U.S.C. § 105.

²² The legislative history of the Copyright Act contains the following statement:

The committee here observes: (1) there is nothing in section 105 that would relieve the Government of its obligation to secure permission in order to publish a copyrighted work; and (2) publication or other use by the Government of a private work would not affect its copyright protection in any way. (H.R. Rep. No. 1476, 94th Cong., 2d Sess. 60 (1976)).

²³ Although CRS obtains permission to reproduce certain copyrighted works, the permissions are generally based on legislative use and the expectation that dissemination is limited to Members of Congress.

²⁴ Copyright Act of 1976, Act October 19, 1976, Pub. L. No. 94–553 (codified as amended at 17 U.S.C. §§ 101 et seq.). See 17 U.S.C. § 107.

²⁵ 17 U.S.C. §§ 106, 106A.

²⁶ 17 U.S.C. §§ 107–120.

²⁷ See H.R. Rep. No. 1476, 94th Cong., 2d Sess. 65 (1976); S. Rep. No. 473, 94th Cong., 1st Sess. 61–62 (1975) quoting REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW, 87th Cong., 1st Sess. 24 (Comm. Print 1961) (hereafter REGISTER’S REPORT).

²⁸ See H.R. Rep. No. 1476, *Id.* at 73.

²⁹ Moreover, if CRS products were generally available to the public, the construction of these products may be affected, with the potential consequent loss when material, such as copyrighted maps or graphs, may be withheld in the writing of the paper with the foreknowledge that the paper could be widely disseminated and thereby subject to different “fair use” guidelines than those applicable to work for legislative use only. Therefore, public availability may perforce shape selected CRS products so that their contents no longer bring to bear the best information and analysis to assist Members in their decisionmaking.

tory damages * * *." Speech or debate clause immunity is not waived under § 1498(b); however, activities outside of the legislative sphere would not be shielded from a copyright infringement action.³⁰

In summary, where permission has been granted to CRS to use copyrighted material, it has likely been based on legislative purpose and limited to selective distribution of hardcopy by Members of Congress. If access is broadened to wholesale release to members of the general public, such release may be outside the scope of "legitimate legislative purpose." If a CRS product, containing substantial copyrighted material (albeit with appropriate credit) is made available to the general public without permission and outside the confines of traditional fair use, liability is possible. In this regard, distinctions can be made between the selective distribution of hardcopy CRS products by Members and Committees and wholesale, potentially world-wide distribution of CRS products on the Internet. Violation of any of the exclusive rights of the copyright owner may give rise to an action for copyright infringement. Although the extent of copyright owners' rights in the online environment is still evolving, wholesale distribution of CRS products via the Internet—unlike the current practice—would likely implicate copyright owners' performance and public display rights,³¹ as a matter of direct infringement, and may implicate rights of reproduction and public distribution³² either as a matter of direct, vicarious or contributory infringement. On the other hand, under a "fair use" analysis, there is likely less effect upon the potential market of the copyright owner in the case of selective hardcopy distribution than in the case of wholesale distribution on the Internet. Selective distribution of hardcopy CRS products by Members may not constitute "publication" in the copyright sense.³³

CONCLUSION

To review, Congress has historically regarded CRS as an extension of its own Member and committee staff. CRS' relationship with Congress is confidential and exclusive; in order to preserve this relationship, Congress has determined as a matter of policy that CRS products are to be distributed to non-congressional users through congressional offices on a selective basis. Proposals to disseminate CRS products directly to the public would fundamentally change this longstanding congressional policy, with potentially significant institutional and legal consequences for CRS and current congressional operations and practices.

LEGAL ISSUES PRESENTED BY PROPOSALS FOR THE GENERAL RELEASE OF CRS PRODUCTS TO THE PUBLIC—FEBRUARY 24, 1998

This paper considers significant legal issues implicated by proposals involving the general release of Congressional Research Service (CRS) products such as Reports and Issue Briefs. (Issues of policy and technology posed by the general release of CRS products are beyond the scope of this analysis.) Specifically, attention is given to three pertinent legal issues, the first two involving the Speech or Debate Clause and the third dealing with intellectual property questions. This study assumes that CRS products would be published by CRS itself and identifies adverse legal consequences that would result from such publication. Publication of CRS products by

³⁰ As originally enacted, § 1498 applied only to suits for patent infringement against the United States. In 1960, Congress amended § 1498 to give its consent to suits for copyright infringement against the United States; Section 2 of Pub. L. 86-726 provided:

Nothing in this Act shall be construed to in any way waive any immunity provided for Members of Congress under article I of section 6 of the Constitution of the United States.

Section 2 was added to the House bill by Senate amendment in order "to emphasize the fact that no immunities for Members of Congress under article I of section 6 of the Constitution shall be waived by the enactment of this legislation." See S. Rep. No. 1877, 86th Cong., 2d Sess. (1960) as reprinted in 1960 U.S.C.A.A.N. 3444. Presumably, speech or debate clause protection would protect Congressional use of copyrighted material that is used to further legitimate legislative activities that are part of the legislative processes (e.g., copyrighted material inserted into the Congressional Record or congressional document). See Copyright Office Memorandum of May 26, 1958 reprinted in 1960 U.S.C.A.A.N. at 3456. Congress did not waive its speech or debate clause immunity when it amended § 1498. However, insofar as activities outside of the legislative sphere (e.g., political activities or public information activities) are concerned, it would appear that § 1498(b) would not shield Congress from a copyright infringement action.

³¹ 17 U.S.C. §§ 106(4), (5).

³² 17 U.S.C. § 106(1), (3).

³³ 17 U.S.C. §§ 101, 106(3).

the Congress would have corresponding legal consequences but these would be exacerbated in the case of direct public dissemination by CRS itself.³⁴

1. Dissemination of CRS products on the Internet³⁵ would not be cloaked with constitutional immunity.

Members of Congress are protected by art. I, § 6, cl. 1, of the Constitution, which provides in part that “for any speech or debate in either House, [Senators and Representatives] shall not be questioned in any other place.” The clause performs two related functions. First, it protects the “independence and integrity of the legislature,” and second, it “reinforce[s] the separation of powers * * *.”³⁶ The clause “applies not only to a Member but also to his aides insofar as the conduct of the latter would be a protected legislative act if performed by the Member himself.”³⁷

In early decisions, the Supreme Court interpreted the clause broadly and considered it as protecting activity beyond the walls of the chamber.³⁸ However, in recent years the Court has constricted the range of actions shielded by the constitutional provision.³⁹ Beginning with its decision in 1972 in *United States v. Brewster*, the Court has limited the protection of the clause to “legislative acts.”⁴⁰ In that case, the Court explained that “a legislative act has consistently been defined as an act generally done in Congress in relation to the business before it. In sum, the Speech or Debate Clause prohibits inquiry only into those things generally said or done in the House or the Senate in the performance of official duties and into the motivation for those acts.”⁴¹ In another frequently quoted description of the scope of the privilege, the Court declared that, in addition to actual speech or debate in either House, the clause applies only to acts which are “an integral part of the deliberative and communicative processes by which Members participate in committee and House proceedings with respect to the consideration and passage or rejection of proposed legislation or with respect to other matters which the Constitution places within the jurisdiction of either House.”⁴²

In *Brewster*, the Court distinguished protected legislative acts from a range of activity described as “entirely legitimate” but unprotected by speech or debate immunity because it was considered to be “political in nature.”⁴³ In several cases of relevance to the applicability of speech or debate immunity to the general public distribution of CRS products, the Court has relied on the dichotomy established in *Brewster* to hold that congressional activities intended to inform the general public are outside the scope of the speech or debate clause.⁴⁴ Thus, the Court has held that the clause did not protect a Member from liability for allegedly defamatory remarks in newsletters and press releases based almost entirely on the Member’s statement to the Senate, which had appeared in the Congressional Record.⁴⁵ The Court has

³⁴ This study addresses, *inter alia*, issues relating to the speech or debate clause that were raised in the statement of Senator McCain upon introduction of S. 1578, 105th Cong. (providing that the Director of CRS is to make specified CRS products, including Reports and Issue Briefs, available on the Internet) and in a letter inserted by Senator McCain in the Congressional Record from Stanley Brand, former General Counsel to the House of Representatives (hereafter, Brand letter). 144 Cong. Rec. S123–25 (daily ed. Jan. 28, 1998).

³⁵ The Internet has been described by the Supreme Court as “a unique and wholly new medium of worldwide human communication.” *Reno v. American Civil Liberties Union*, 117 S. Ct. 2329, 2334 (1997). Commentators have observed that “novel and unsettled” legal questions are raised by cyberspace (Decisions Reflect Nature of Media, National Law Journal, Aug. 11, 1997, at p. B8) and that in addressing the “Internet and computer-related issues” the courts are on “uncharted water.” *Though Shalt Not Trespass—Even in Cyberspace*, New Jersey Lawyer, Sept. 1, 1997, at p. 10.

³⁶ *United States v. Johnson*, 383 U.S. 169, 178 (1966)(footnote omitted). See also *United States v. Brewster*, 408 U.S. 501, 507 (1972).

³⁷ *Gravel v. United States*, 408 U.S. 606, 618 (1972).

³⁸ See, e.g., *United States v. Johnson*, 383 U.S. 169, 180 (1966); *Kilbourn v. Thompson*, 103 U.S. 168, 203–04 (1880).

³⁹ For a detailed historical review of the restricted reading placed upon the clause by the courts, see Walker, *Constitutional Law: Narrowing the Scope of Speech or Debate Clause Immunity*, 68 Temple L. Rev. 377 (1995).

⁴⁰ 408 U.S. 501, 509 (1972).

⁴¹ *Id.* at 512.

⁴² *Gravel*, 408 U.S. at 625.

⁴³ 408 U.S. at 512.

⁴⁴ In *dicta* in *Brewster*, the Court indicated that newsletters to constituents, news releases, and speeches delivered outside of Congress would not be protected by speech or debate immunity. *Id.*

⁴⁵ *Hutchinson v. Proxmire*, 443 U.S. 111 (1979). See also *Chastain v. Sundquist*, 833 F.2d 311 (D.C.Cir. 1987) (Member’s press release and communications to executive branch not protected by speech or debate immunity or common law official immunity), cert. denied, 487 U.S. 1240 (1988). In a recent ruling in a defamation suit based on a Member’s statement in a television interview concerning the status of an appropriations bill, speech or debate immunity was not available but the Member successfully invoked a statutory mechanism (28 U.S.C. § 2679

further held that the clause did not preclude a grand jury from questioning a Member's aide in regard to possible criminal liability for arranging for the private publication of the Pentagon Papers, which previously had been inserted by the Member in a subcommittee hearing record.⁴⁶

Perhaps most importantly, in *Doe v. McMillan*, a suit filed against, *inter alia*, various Members, their staffs and consultants, the Public Printer, and the Superintendent of Documents, seeking declaratory and injunctive relief and damages based on the publication of an official committee report that included material alleged to invade plaintiffs' privacy, in an opinion written by Justice White, the Court held that individuals "such as the Superintendent of Documents or the Public Printer or legislative personnel, who participate in distribution of [legally] actionable material beyond the reasonable bounds of the legislative task, enjoy no speech or debate clause immunity."⁴⁷ Justice Douglas, in a concurring opinion joined by Justices Brennan and Marshall, would have extended speech or debate immunity to "a legislator's function in informing the public" because that task "is essential to maintaining our representative democracy."⁴⁸

The Court in *McMillan* remanded for a determination as to whether the extent of distribution by the Public Printer and the Superintendent of Documents had exceeded "the legitimate legislative needs of Congress, and hence the limits of immunity."⁴⁹ On the remand, after a detailed factual inquiry which revealed that there had been quite limited public distribution of the report, the lower courts upheld the claim of immunity as to the Public Printer and Superintendent of Documents.⁵⁰ The court of appeals on the remand expressly reserved the question of the availability of immunity "in a case where distribution was more extensive, was specially promoted, was made in response to specific requests rather than standing orders, or continued for a period after notice of objections was received."⁵¹

Under the caselaw reviewed above, the dissemination to the general public of CRS products—by CRS⁵² or by Members and/or their aides⁵³—would not be considered a legislative act⁵⁴ but would be viewed by the courts as an exercise of Congress'

(Westfall Act)) providing for substitution of the United States as the defendant. *Williams v. United States*, 71 F.3d 502 (5th Cir. 1995).

⁴⁶ *Gravel*, 408 U.S. at 609–10, 622.

⁴⁷ 412 U.S. 306, 315, 324 (1973). However, the Court held that the actions of the Members, their staffs, and consultants in preparing the report and ordering that it be printed were protected by speech or debate immunity. *Id.* at 313.

⁴⁸ *Id.* at 328. Justice Blackmun, in an opinion concurring in part and dissenting in part that was joined by Chief Justice Burger, considered the informing function to be "an essential attribute of an effective Legislative Branch," and believed that the opinion of the Court effectively curtailed that function and thereby violated "the historical tradition signified textually by the speech or debate clause and underlying our doctrine of separation of powers." *Id.* at 334. The suggestion in Justice Douglas's concurrence that speech or debate immunity should protect the informing function has not been adopted by the Court in subsequent cases. In fact, in *Hutchinson v. Proxmire*, 443 U.S. at 130, the majority opinion approved the views expressed in Justice White's opinion for the Court in *McMillan*.

⁴⁹ 412 U.S. at 324–25.

⁵⁰ 374 F. Supp. 1313 (D.D.C. 1974), *aff'd*, 566 F.2d 713 (D.C.Cir. 1977), *cert. denied*, 435 U.S. 969 (1978). Based on affidavits submitted by the Public Printer, other material in the record, and a memorandum of the Public Printer filed upon appeal of the district court's ruling, "it was determined that in addition to 2,557 copies of the report distributed within the Congress and its staff, 796 copies were distributed to various federal government agencies based on statutory requirements and standing orders. Another 796 copies were retained in a security cage [and were not distributed because of the litigation]. * * * About 54 'extra' copies were retained by the Printer for internal use and for distribution in case of spoilage." 566 F.2d at 715. Apparently the only copies distributed outside the federal government were approximately 172 of the 796 copies that had been distributed to various federal agencies. Specifically, "about 92 copies were distributed to members of the public who maintained standing orders for all committee reports" and "about 80 copies were automatically delivered to foreign legations with standing orders for all committee reports under 44 U.S.C. § 1717 * * *." *Id.* at 716.

⁵¹ *Id.* at 718.

⁵² See *Doe v. McMillan*, 412 U.S. at 318 (immunity of Superintendent of Public Documents and of Public Printer was coextensive with that of Members of Congress whom they served).

⁵³ Under the Court's holding in *Gravel*, 408 U.S. at 618, speech or debate immunity applies to a Member's aide "insofar as the conduct of the * * * [aide] would be a protected legislative act if performed by the Member himself."

⁵⁴ In determining whether the extent of distribution exceeds the legislative needs of Congress, and thus is outside the bounds of speech or debate immunity, the courts may consider various factors relating to the distribution, including the number of copies circulated and the purposes for which they were circulated. See *Doe v. McMillan*, 374 F. Supp. 1313 (D.D.C. 1974), *aff'd*, 566 F.2d 713 (D.C.Cir. 1977), *cert. denied*, 435 U.S. 969 (1978).

representational function, for which speech or debate immunity is not available.⁵⁵ Those engaged in public distribution of CRS products, as well as CRS analysts who prepare the products, may be vulnerable to a variety of judicial and administrative proceedings. In such actions, litigants might seek, for purposes of discovery, the files of CRS analysts or litigants might ask for damages⁵⁶ or injunctive relief barring further distribution of a particular report or issue brief.⁵⁷ Litigants might also claim damages in suits alleging copyright infringement. It would seem that these kinds of actions would be more likely to occur as a result of widespread electronic dissemination to the general public of CRS products than from limited distribution (common under current practice) by a congressional office of a single hard copy of a particular CRS Report or Issue Brief to a constituent.

It has been suggested that speech or debate clause concerns raised by legislation providing for the dissemination of certain CRS products via the Internet might be addressed by including in such legislation language stating that “nothing herein shall be deemed or considered to diminish, qualify, condition, waive, or otherwise affect applicability of the Constitution’s speech or debate clause, or any other privilege available to Congress, its agencies or their employees, to any CRS product made available on the Internet under this bill.”⁵⁸ The effect of the suggested language is uncertain. (1) Would the courts characterize the language as “self-serving” and disregard it? (2) Even if not disregarded, would the effect of the language be to deny immunity to the dissemination of CRS products on the Internet? The suggested language would not immunize CRS products but would simply seek to have the courts treat “any CRS product made available on the Internet” in the same way that they would treat any other information disseminated by Congress or its agents to the general public—i.e., as unprotected.⁵⁹ (3) Because the proposed language applies only to CRS products made available on the Internet, would it have any impact on concerns with regard to the effect of dissemination of Service products to the general public on attempts to gain access to CRS files?⁶⁰

2. Public dissemination of CRS products might jeopardize the confidentiality of CRS files and hamper a claim of constitutional immunity by CRS.

Extensive distribution of CRS products to the general population would increase public awareness of the research and analysis prepared by the Service for Congress and could thereby intensify efforts by litigants to obtain, for purposes of discovery, the files of CRS analysts who prepare the products. These discovery attempts might seek not only information and data used to develop CRS Reports and Issue Briefs but also related material from the files.⁶¹

⁵⁵ In his remarks upon the introduction of S. 1578, Senator McCain observed that, by providing for the dissemination of CRS research products via the Internet, Members would be fulfilling their role of informing the public. Senator McCain recognized that an issue exists as to the applicability of speech or debate immunity to exercises of the informing function. 144 Cong. Rec., *supra* note 1, at S123.

⁵⁶ See *Doe v. McMillan*, *supra* (invasion of privacy).

⁵⁷ *Id.*

⁵⁸ The Brand letter proposes that the quoted language be included in S. 1578, 105th Cong. See note 1, *supra*.

⁵⁹ See notes 11–18 and accompanying text, *supra*.

⁶⁰ See pp. 5–8, *infra*.

⁶¹ See *In the Matter of Exxon Corporation, et al.*, FTC Docket No. 8934, Application of November 6, 1978, at p. 18 (at request of respondents in agency proceeding, FTC administrative law judge issued subpoena seeking discovery of, *inter alia*, CRS “reports on the oil industry in connection with House and Senate subcommittee studies of the oil industry and in connection with congressional preparation of bills relating to energy matters”), *subsequent ruling*, *In re Exxon Corporation*, 95 F.T.C. 919 (1980); *Chapman v. Space Qualified Systems Corp.*, 647 F. Supp. 551, 552 (N.D.Fla. 1986) (seeking discovery from GAO investigator of various materials, including “all working documents” related to a GAO investigation conducted at the request of a congressional committee, executive branch inspector general reports provided to GAO, and communications to GAO from Congress or congressional staff). See also *Smith v. IRS*, No. 3778–89 (Tax Ct. 1990) (litigants obtained subpoena calling for the testimony of an attorney in the American Law Division of CRS and for the production of background materials used by the attorney in preparing a memorandum for a Member of the Senate). It might be noted that, with some frequency, litigants are seeking in discovery not only documents and depositions from congressional support agencies but also from Members of Congress and congressional staff. See, e.g., *Brown & Williamson Tobacco Corp. v. Williams*, 62 F.3d 408 (D.C.Cir. 1995); *In the Matter of the Applications of the City of El Paso, Texas*, 887 F.2d 1103 (D.C. Cir. 1989); *Minpeco, S.A. v. Conticommodity Services, Inc.*, 844 F.2d 856 (D.C.Cir. 1988); *Miller v. Transamerican Press, Inc.*, 709 F.2d 524 (9th Cir. 1983); *United Transportation Union v. Springfield Terminal Ry.*, 132 F.R.D. 4, 6 (D.Me. 1990) (litigant who had previously engaged in “sweeping discovery,” including depositions from, and document production by, House and Senate aides, also sought internal congressional communications); *Common Cause v. Bolger*, 574 F. Supp. 672, 673–74 (D.D.C. 1982) (three-judge court), *aff’d mem.*, 461 U.S. 911 (1983).

The speech or debate clause may provide a valid defense in such discovery proceedings if the subject of the proceedings is a protected legislative act.⁶² However, even in instances in which CRS succeeded in defending against such discovery efforts, such litigation would place a significant burden on congressional resources⁶³ and could make judges the arbiters of disputes concerning the confidentiality of communications between CRS and Congress.⁶⁴ Claims of speech or debate immunity would be subject to judicial review⁶⁵ which might include *in camera* inspection of material as to which a claim of privilege is made⁶⁶ and segregation of protected from non-protected material.⁶⁷ Such judicial screening of legislative branch materials arguably impinges upon the interest in confidentiality served by the speech or debate clause.⁶⁸

Moreover, there is no assurance that CRS would prevail in litigating such matters. Two concerns might be highlighted. The first stems from the mix in CRS files which commonly include, *inter alia*, material from research sources in the public domain, confidential CRS memoranda for Congress, and communications between Congress and the Service. Because the information contained in the different types of documents in a particular CRS subject file is superficially similar, and because the Service's work for Congress is cumulative in nature (i.e., a CRS Report often builds upon the general analysis developed in response to specific requests from Members and congressional staff),⁶⁹ there may be a risk that a court would not precisely dif-

⁶² See, e.g., *Brown & Williamson Tobacco Corp.*, *supra* (exercise of Congress' investigative power). The speech or debate clause has been held to be a valid defense in an attempt to obtain access to CRS materials prepared to aid Congress in considering legislation. See *In Re Exxon Corporation*, *supra*. The role of the speech or debate clause as a defense in such litigation is discussed in the Brand letter, *supra* note 1.

⁶³ In actions in which litigants have sought access to its files, CRS has generally been represented by the Office of Senate Legal Counsel or the House General Counsel. For example, in *Smith v. IRS*, *supra*, the CRS employee involved was represented by the Senate Legal Counsel pursuant to S. Res. 291, 101st Cong.

⁶⁴ See *In re Grand Jury Investigation*, 587 F.2d 589 (3d Cir. 1978); *United States v. Eilberg*, 507 F. Supp. 267 (E.D.Pa. 1980).

⁶⁵ In *United States v. Nixon*, 418 U.S. 683, 703-05 (1974), the Court rejected the President's contention that the separation of powers doctrine barred judicial review of a claim of executive privilege, and in support of judicial authority in such a case the Court cited several speech or debate clause cases in which it had interpreted the immunity of Members. *Id.* at 704, citing *Doe v. McMillan*; *Gravel*; *Brewster*; and *Johnson*.

⁶⁶ "Courts have conducted *in camera* hearings, with participation by adverse parties, to determine whether materials subpoenaed from Members of Congress were within the speech or debate privilege." Raveson, *Unmasking the Motives of Government Decisionmakers*, 63 N.C.L.Rev. 879, 968 n.523 (1985) (citing *In re Grand Jury Investigation*, 587 F.2d 589, 596-97 (3d Cir. 1978); *In Re Possible Violations of 18 U.S.C. 201*, 371, 491 F. Supp. 211, 213-14 (D.D.C. 1980)). The Brand letter, *supra* note 1, states that *in camera* review is not routinely used by the courts to settle disputes concerning the applicability of speech or debate immunity. If *in camera* review is employed relatively infrequently, congressional concern over the judiciary's use of this technique may be alleviated but not eliminated.

The case of *Benford v. American Broadcasting Co.*, 98 F.R.D. 42 (D.Md. 1983), was cited in a previous CRS discussion of the possibility of *in camera* inspection of material when a claim of privilege is raised. The Brand letter comments that *in camera* inspection of House documents was not ordered by the court in that case. It is correct that the court did not order such an inspection. However, in denying a congressional committee's motion to intervene to obtain a protective order from a litigant's subpoena seeking in discovery material as to which speech or debate immunity was claimed, the district court stated that it "should examine the relevant documents * * * *in camera* * * *." *Id.* at 45 n.2. (The opinion in *Benford* is convoluted because of the procedural complexity of the lengthy litigation involved. However, the court's position with regard to *in camera* review is clarified by a subsequent ruling in the same litigation, in an opinion by the same judge. *Benford v. American Broadcasting Co.*, 565 F. Supp. 139, 141 (D.Md. 1983), *rev'd on other grounds sub nom. In Re Guthrie*, 733 F.2d 634 (4th Cir. 1984). In that subsequent ruling, the court expressly reserved "the right to examine *in camera*" documents as to which a claim of speech or debate privilege was raised. *Id.* at 143.)

⁶⁷ The Court in *Nixon* upheld the authority of the district court to segregate privileged material (to be returned to the President) from material that would be admissible in the judicial proceedings for which they had been subpoenaed. 418 U.S. at 714-16. Segregation of protected from non-protected material has also been upheld in the speech or debate context. See, e.g., *United States v. Helstoski*, 442 U.S. 477, 488 n.7 (1979).

⁶⁸ See generally *Evidentiary Implications of the Speech or Debate Clause*, 88 Yale L.J. 1280, 1286-87 n.30 (1979). The courts are divided on the question of whether the speech or debate clause was intended to ensure confidentiality for legislators. Compare *Brown & Williamson Tobacco Corp. v. Williams*, 62 F.3d at 420 with *In re Grand Jury Investigation*, 587 F.2d at 597.

⁶⁹ For example, an analyst may prepare a CRS Report on the economic implications of a tax cut on the basis of, *inter alia*, academic studies on the subject and some of the general factual information and analysis that had been included in a confidential memorandum previously prepared for a Member of the Ways and Means Committee who requested an assessment of a draft

Continued

ferentiate among the types of documents and would grant litigants access not only to publicly available information but also to confidential communications between the Service and congressional offices.

The second concern arises from the fact that, in previous instances in which CRS has been involved in litigation or agency proceedings, the judicial or agency decision has emphasized that CRS performs a legislative function and that its staff functions as an adjunct of Member and committee staff.⁷⁰ With wider dissemination of CRS products to the general public, this longstanding perception of the Service and the nature of its communications to the Congress could be altered, eventually putting at risk speech or debate protection for the Service's confidential work. In other words, extensive involvement by CRS in the direct public information function could lead courts and administrative agencies to reconsider their perception of CRS as playing a significant and unique support role in the legislative process, and thus some day might hamper a claim of immunity even in an instance in which CRS was fulfilling its legislative function.

3. There is some risk of assertion of copyright infringement if CRS materials are made available on-line to members of the general public.

CRS may incorporate preexisting material in its written responses to congressional requests. Although such material is often from public domain sources,⁷¹ in certain instances the material may be from copyrighted sources.⁷² To the extent that the material is copyrighted, CRS either: obtains permission for the use;⁷³ considers its information-gathering function protected by the speech or debate clause;⁷⁴ or believes that the intended use falls under the "fair use" doctrine of the Copyright Act.⁷⁵

United States copyright protection is not available for U.S. Government works.⁷⁶ Those portions of a public document authored by the U.S. Government are in the "public domain"—freely and widely available to the public without restrictions placed on their dissemination. However, the government's inclusion of copyrighted material in a government publication does not thrust that material into the public domain or impair the rights of the copyright owner.⁷⁷

bill. Of course, because of the confidential relationship of CRS with its congressional clients, none of the specific analysis of the draft bill included in that memorandum would appear in, or be reflected, in the CRS Report.

⁷⁰ See *Webster v. Sun Oil*, 731 F.2d 1 (D.C.Cir. 1984) and 790 F.2d 157 (D.C.Cir. 1986) (communications to CRS analyst are within scope of common law privilege for communications to a legislative body); *Smith v. IRS*, No. 3778-89 (Tax Ct. 1990) (protecting from compulsory process background materials used by CRS staff in preparing reports and memoranda for Members); *In re Exxon Corporation*, 95 F.T.C. 919 (1980) (FTC subpoena for CRS documents barred by speech or debate immunity and separation of powers doctrine; CRS performs an "essentially legislative function"). Cf. *Browning v. Clerk, U.S. House of Representatives*, 789 F.2d 923, 929 (D.C.Cir.) (personnel actions held to be protected by speech or debate immunity if the "employee's duties were directly related to the due functioning of the legislative process") (emphasis in the original), cert. denied, 479 U.S. 996 (1986).

⁷¹ For example, prior CRS Reports; other government publications.

⁷² CRS's uses of copyrighted material are appropriately credited.

⁷³ Although CRS obtains permission to reproduce certain copyrighted works, the permissions are generally based on legislative use and do not explicitly cover electronic dissemination.

⁷⁴ U.S. Const., art. 1, § 6, cl. 1. Speech or debate clause protection extends to activities within the sphere of legitimate legislative activity (generally considered to be matters that are an integral part of the deliberative process by which members participate in legislative proceedings) rather than activities that are representational or political in nature. When CRS performs a legislative function, the speech or debate clause shield provides protection from copyright infringement claims. See CRS's purposes and duties as set forth in 2 U.S.C. § 166(d); see also *Webster v. Sun Oil*, *supra* n.27.

⁷⁵ Copyright Act of 1976, Act October 19, 1976, Pub. L. No. 94-553 (codified as amended at 17 U.S.C. §§ 101 et seq.). Fair use is a judicial doctrine codified for the first time in the Copyright Act. See 17 U.S.C. § 107. Although the Act does not define "fair use," the Act lists four illustrative factors, based on prior case law, to be considered when determining whether a use made of a work is a fair use: (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work.

⁷⁶ 17 U.S.C. § 105. Sec. 101 defines a "work of the United States Government" as "a work prepared by an officer or employee of the United States Government as part of that person's official duties." While works of the U.S. Government are not protected under U.S. copyright laws, protection may be available under the statutes of certain other countries.

⁷⁷ The legislative history of the Copyright Act contains the following statement:

The committee here observes: (1) there is nothing in section 105 that would relieve the Government of its obligation to secure permission in order to publish a copyrighted work; and (2) publication or other use by the Government of a private work would not affect its copyright protection in any way. (H.R. Rep. No. 1476, 94th Cong., 2d Sess. 60 (1976).)

The exclusive rights⁷⁸ of the copyright owner are qualified or limited by enumerated exceptions.⁷⁹ Unless excused by a statutory exception, the unauthorized use of a copyrighted work is considered an infringement. Fair use is one of the limitations on the copyright owner's exclusive rights and may be invoked as an affirmative defense to a claim of copyright infringement.⁸⁰

The copyright statute does not expressly include congressional use of copyrighted works as a fair use. However, both the House and Senate Reports on the Copyright Act of 1976 include the "reproduction of a work in legislative or judicial proceedings or reports" among examples of fair use.⁸¹ The legislative history also contains an observation that publication of copyrighted material in Congressional documents would constitute fair use "[w]here the length of the work or excerpt published and the number of copies authorized are reasonable under the circumstances, and the work itself is directly relevant to a matter of legitimate legislative concern * * *."^{82]}

In an infringement action, a court might regard the publication of copyrighted material in a Congressional document for legitimate legislative purposes as a "fair use." If, however, the use is outside of such legislative purposes, it is possible that a traditional fair use analysis might result in liability for copyright infringement. Wider dissemination outside the confine of Congress would further complicate the "fair use" question. While courts appear to be applying the same fair use analysis in infringement actions involving the electronic environment as in more traditional environments, the application of fair use in the electronic environment is still developing.

The copyright laws do not contain an exemption from copyright infringement for unauthorized use of copyrighted materials by the U.S. Government. Subsection 1498(b) of Title 28 of the U.S. Code provides that the exclusive remedy of a copyright owner for copyright infringement by the United States is an action against the United States in the U.S. Court of Federal Claims "for the recovery of * * * reasonable and entire compensation * * * including the minimum statutory damages * * *."⁸³ Speech or debate clause immunity is not waived under § 1498(b); however, activities outside of the legislative sphere would not be shielded from a copyright infringement action.⁸⁴ The one case interpreting § 1498(b) narrowly

⁷⁸ 17 U.S.C. §§ 106, 106A.

⁷⁹ 17 U.S.C. §§ 107–120.

⁸⁰ A bright-line approach to fair use is difficult if not impossible; courts examine the fair use defense on a case-by-case basis.

⁸¹ See H.R. Rep. No. 1476, 94th Cong., 2d Sess. 65 (1976); S. Rep. No. 473, 94th Cong., 1st Sess. 61–62 (1975) quoting REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW, 87th Cong., 1st Sess. 24 (Comm. Print 1961) (hereafter REGISTER'S REPORT).

⁸² See H.R. Rep. No. 1476, *Id.* at 73. A "matter of legitimate legislative concern" is not defined. In a speech or debate clause context, protection extends to activities within the sphere of legitimate legislative activity which is generally considered to be matters that are an integral part of the deliberative and communicative processes by which members participate in legislative proceedings. Such matters are distinguished from those activities that are political in nature and further interests distinct from legislative responsibility. See *Gravel v. United States*, *supra* n.2; *United States v. Brewster*, *supra* n.1. The republication of intra-Congressional material outside Congress has been held not to be a protected legislative activity. See *Miller v. Transamerican Press, Inc.*, *supra* n.21; *Hutchinson v. Proxmire*, *supra* n.10 at 127–28 (1979). Although obtaining information pertinent to potential legislation is one of the "things generally done in a session of the House" concerning matters within the "legitimate legislative sphere" (see *Kilbourn v. Thompson*, 103 U.S. 168, 204 (1881)), Congress's "informing function" protected by the speech or debate clause as part of the legislative function is that of informing itself about subjects susceptible to legislation, not that of informing the public. See *Hutchinson v. Proxmire*, at 132–33.

⁸³ Damages are limited to "reasonable and entire compensation." The available remedies do not include the other remedies for infringement available under the Copyright Act against infringing parties such as: injunctions; impoundment and disposition of the infringing articles; recovery of full costs and attorney's fees.

The subsection provides that before such an infringement action is instituted, "the head of the appropriate department or agency of the Government, as the case may be, is authorized to enter into an agreement with the copyright owner in full settlement and compromise for the damages accruing to him by reason of such infringement and to settle the claim administratively out of available appropriations."

⁸⁴ As originally enacted, § 1498 applied only to suits for patent infringement against the United States. In 1960, Congress amended § 1498 to give its consent to suits for copyright infringement against the United States; Section 2 of Pub. L. 86–726 provided: Nothing in this Act shall be construed to in any way waive any immunity provided for Members of Congress under article I of section 6 of the Constitution of the United States.

construed the governmental waiver—relying on general construction of such waivers and on prior interpretation of a similar provision.^{85]}

The protection of intellectual property rights in the information age and the balance between copyright owners' exclusive rights to control the uses of their creative works and the public's right of fair use of and access to copyrighted works are being addressed by Congress⁸⁶ and the courts.

In summary, where permission has been granted to CRS to use copyrighted material, it has likely been based on legislative purpose and limited to the print (rather than the electronic) environment.

If access is broadened to members of the general public, congressional release may be outside the scope of "legitimate legislative purpose." In such cases, a traditional fair use analysis may not provide an affirmative defense to an infringement action and liability could attach.⁸⁷

The copyright law is intended to foster the creation and dissemination of intellectual works for the public welfare and to reward authors for their contribution to society. Striking a fair balance between the authors' exclusive rights to control the dissemination of their works and the public interest⁸⁸ is ever more challenging in the electronic environment.

Section 2 was added to the House bill by Senate amendment in order "to emphasize the fact that no immunities for Members of Congress under article I of section 6 of the Constitution shall be waived by the enactment of this legislation." See S. Rep. No. 1877, 86th Cong., 2d Sess. (1960) as reprinted in 1960 U.S.C.A.A.N. 3444. Presumably, speech or debate clause protection would protect Congressional use of copyrighted material that is used to further legitimate legislative activities that are part of the legislative processes (e.g., copyrighted material inserted into the Congressional Record or congressional document). See Copyright Office Memorandum of May 26, 1958 reprinted in 1960 U.S.C.A.A.N. at 3456. Congress did not waive its speech or debate clause immunity when it amended § 1498. However, insofar as activities outside of the legislative sphere (e.g., political activities) are concerned, it would appear as if § 1498(b) would not shield Congress from a copyright infringement action.

⁸⁵ *Auerbach v. Sverdrup Corp.*, 829 F.2d 175 (D.C. Cir. 1987) (holding that the government only waives immunity under § 1498(b) for third-party infringements that are authorized or consented to by the government rather than for any copyright infringement that a third party may choose to undertake). The *Auerbach* case, relying on the legislative history of this provision, is the sole case construing § 1498(b). Sec. 1498(a), the sister provision waiving immunity for patent infringements, has been interpreted more often—courts holding that such waiver is limited to direct governmental infringement.

⁸⁶ In December 1996, the World Intellectual Property Organization (WIPO) adopted two new intellectual property treaties—the WIPO Copyright and WIPO Performances and Phonograms Treaties. The Copyright Treaty covers copyright protection for computer programs and for databases as intellectual works, and uses of copyrighted works in digital electronic environments, including transmissions over the Internet. The Administration's treaty implementation bills (S. 1121 and H.R. 2281) were introduced at the end of July 1997. Alternative WIPO implementation bills (S. 1146 and H.R. 2180) also address additional Internet policies issues. See U.S. Library of Congress. Congressional Research Service. World Intellectual Property Organization Performances and Phonograms Treaty: An Overview (CRS Report for Congress 97-523A); and U.S. Library of Congress. Congressional Research Service. Online Service Provider Copyright Liability: Analysis and Discussion of H.R. 2180 and S. 1146 (CRS Report for Congress 97-950A). See also H.R. 3048, introduced in November 1997, which implements the WIPO treaties and updates United States copyright laws to accommodate the developments of digital technology (addressing, e.g., "fair use," "first sale," and distance learning). H.R. 2652, the "Collections of Information Antipiracy Act" would create sui generis protection, distinct from copyright protection, for collections of facts, data or works of authorship. Government collections of information are excluded. Exceptions address acts such as the extraction of insubstantial parts of collections of information; independent gathering of information; non-profit educational, scientific or research uses; and extraction for news reporting. The bill responds to the Supreme Court's decision in *Feist Publications v. Rural Telephone Service Co.*, 499 U.S. 340 (1991) which held that comprehensive collections of facts arranged in conventional formats were not protected and could not be constitutionally protected under copyright. For an overview of legislative proposals introduced in the 104th Congress, see U.S. Library of Congress. Congressional Research Service. Copyright Proposals for the National Information Infrastructure (CRS Report for Congress 95-1166A).

⁸⁷ Liability, however, would be limited by the exclusive remedies provided for in 28 U.S.C. § 1498(b). Copyright owners may not wish to assume the costs associated with § 1498(b) litigation in light of the limited damages that are available under this section.

⁸⁸ REGISTER'S REPORT, *supra* n.39 at 6:

Within reasonable limits, the interests of authors coincide with those of the public. Both will usually benefit from the widest possible dissemination of the author's works. But it is often cumbersome for would-be users to seek out the copyright owner and get his permission. There are many situations in which copyright restrictions would inhibit dissemination, with little or no benefit to the author. And the interests of authors must yield to the public welfare where they conflict. * * * While some limitations and conditions on copyright are essential in the public interest, they should not be so burdensome and strict as to deprive authors of their just reward * * *.

Public interest in dissemination of government documents must be weighed against the legitimate governmental purposes that are served in the Government's exercise of due diligence in not infringing copyrights (e.g., restricting the public's use of proprietary information incorporated in a government document). Although it may be possible to limit liability to some extent by taking certain diligent measures,⁸⁹ some degree of liability may continue to exist. There is some risk of assertion of copyright infringement if CRS materials containing proprietary material (and intended to support congressional needs) are made available on a wholesale basis online to members of the general public.

MEMORANDUM

FEBRUARY 24, 1998.

Subject: Immunity Issues Related to Dissemination by Members of Material on Their Home Pages

From: Jay R. Shampansky, Legislative Attorney, American Law Division

The Supreme Court recently described the Internet as "a unique and wholly new medium of worldwide human communication."⁹⁰ Cyberspace is new technology which raises "novel and unsettled" legal questions.⁹¹ This memorandum provides a brief overview of some of the major immunity issues potentially raised in a case in which a Member uses his home page to disseminate materials (e.g., legislative documents, legislative agency products, executive branch reports, information about state governments, press releases, newspaper and magazine articles) to the general public or to provide links to other Web sites. The same basic legal issues discussed below may be presented when Members use means other than their home pages to disseminate information to the general public. However, the potential for liability may be increased when documents are circulated on the Web because of the vast audience.

Speech or Debate Clause Immunity

Dissemination of material via the Internet would not be cloaked with constitutional speech or debate clause immunity.⁹² The Supreme Court in recent years has narrowed its interpretation of the speech or debate clause so as to limit its protection to "legislative acts."⁹³ Dissemination by a Member of material on the Internet would not be considered a legislative act, but would be viewed as an exercise of Congress' informing function, for which constitutional immunity is not available. In the absence of constitutional immunity, a Member and/or his aides engaged in public distribution of materials would be vulnerable to a variety of proceedings in which plaintiffs might seek damages or injunctive relief barring further distribution of a particular document.⁹⁴ Litigants might also claim damages in suits alleging defamation or copyright infringement, or they might seek discovery of documents from congressional files.

Other Possible Defenses

In some cases defenses other than the speech or debate clause may be raised. Of course, the defenses asserted will depend on the particulars of a case. Two of the major defenses are sketched below.

Absolute and qualified immunity.—In several cases, Members have argued that although certain official communications (such as with the press and constituents) are not protected by the speech or debate clause, they are nonetheless shielded by the judicially-created absolute and qualified immunity doctrines available in certain circumstances to executive branch officials. Such a claim of immunity by a Member in a defamation action was rejected in the leading case of *Chastain v. Sundquist*,⁹⁵ in which the U.S. Court of Appeals for the District of Columbia Circuit found that

⁸⁹ For example, notifying the public that although there are no restrictions on the replication of CRS materials—copyrighted materials contained therein may not be used without permission of the copyright owner.

⁹⁰ *Reno v. American Civil Liberties Union*, 117 S. Ct. 2329, 2334 (1997).

⁹¹ *Decisions Reflect Nature of Media*, National Law Journal, Aug. 11, 1997, at p. B8.

⁹² Art. I, § 6, cl. 1.

⁹³ *United States v. Brewster*, 408 U.S. 501, 509 (1972). See also Walker, *Constitutional Law: Narrowing the Scope of Speech or Debate Clause Immunity*, 68 Temple L. Rev. 377 (1995).

⁹⁴ See, e.g., *Doe v. McMillan*, 412 U.S. 306 (1973), a suit filed against various Members, their staffs and consultants, the Public Printer, and the Superintendent of Public Documents, seeking declaratory and injunctive relief and damages based on the publication and distribution of an official committee report that included material alleged to invade plaintiffs' privacy.

⁹⁵ 833 F.2d 311 (D.C.Cir. 1987), cert. denied, 487 U.S. 1240 (1988).

this immunity would not be warranted in light of Supreme Court treatment of suits against Members.

Westfall Act.—The Federal Employees Liability Reform and Tort Compensation Act,⁹⁶ commonly referred to as the Westfall Act, allows for the substitution of the United States for individual federal employees in certain tort suits and provides for immunity for the defendant employees. However, the immunity afforded by the Westfall Act is of limited scope. (1) It applies only to common law torts (e.g., defamation), not to actions alleging violation of constitutional or statutory rights. (2) The immunity only affects a suit for money damages. It does not preclude a suit seeking injunctive or other equitable relief against the United States or an individual federal employee. Thus, it would not bar a suit to enjoin distribution of material on a Member's home page. (3) Application of the act is contingent upon certification by the Attorney General that the defendant employee was acting within the scope of his office or employment at the time of the incident out of which the claim arose. Although it appears that Members are covered by the Westfall Act, it is uncertain to what extent the act may apply to Members' communications with the public. In *Williams v. United States*,⁹⁷ it was held that the defendant Member "was acting within the scope of his employment * * * at the time he allegedly made defamatory statements * * * [about the plaintiff] during a television interview * * *." The Member's comments concerned the status of an appropriations bill.⁹⁸

MEMORANDUM

FEBRUARY 25, 1998.

Subject: Estimate of financial costs of implementing bills which would require publication of certain CRS products on the Internet.

From: Daniel P. Mulhollan, Director

This memorandum is a response to congressional requests for an estimate of the costs CRS would incur in implementing legislation (S. 1578 and H.R. 3131) which would require the Director of CRS to make various specified CRS products available to the general public on the Internet.

This estimate is based on three major components: costs of meeting technological requirements for implementation; costs of handling increased direct contacts with the general public; and costs resulting from changes in the number and type of congressional requests for CRS services. Before proceeding to the estimate, however, it is important to summarize explicitly the premises and the framework on which this analysis is based, as well as certain limitations resulting from the nature of the issues presented.

First, certain significant costs associated with the bills—indeed the most significant ones in terms of CRS' continued ability to serve the Congress efficiently and effectively—cannot be quantified and thus are not included in these estimates. Important costs of this type include the possible loss of Speech or Debate protection for CRS' confidential communications to Members. Another significant non-quantifiable cost is the loss to the Congress and the nation resulting from the diminution of the role of Members as direct providers to their constituents of information about legislative proposals. Yet another cost of the proposal appears likely to be long-term and not readily measured: the shift in the mission of CRS, from serving the Congress directly and exclusively by meeting evolving congressional needs throughout the legislative process to serving broader, more diffused objectives, including preparing products informative to and suitable for the general public.

Second, certain of the cost estimates which we have prepared must be regarded as somewhat speculative, inasmuch as CRS has no previous experience dealing with large-scale direct dissemination of its products to the public and thus cannot readily anticipate the behavior of Members and the public under such circumstances. (It is reasonable and prudent, however, to anticipate that wholesale dissemination on the Internet would vastly increase the circulation of CRS products over the volume that circulates to the public under the current policy of selective dissemination by Members.) This analysis presents the assumptions on which the estimates are based. We believe these assumptions are consistent with very conservative cost estimates and that actual financial costs could be substantially greater, perhaps on the order of

⁹⁶ Pub. L. No. 100-694, 102 Stat. 4563 (1988), 28 U.S.C. §§ 1346(b), 2671-80.

⁹⁷ 71 F.3d 502, 503 (5th Cir. 1995).

⁹⁸ The Westfall Act was recently successfully invoked in a Member's defense of a defamation action based on remarks he had made to the media in regard to pending legislation. *Operation Rescue National v. United States*, 975 F. Supp. 92 (D.Mass. 1997).

multiples of estimated amounts. The estimating approach used throughout assumes that we would maintain current services to the Congress, except for the attending, non-quantifiable reductions in the quality and character of service noted in the previous paragraph.

Third, we have not undertaken an analysis of all possible options which might be available to CRS in implementing these bills. Instead, we have limited ourselves to what we currently regard as our most feasible course of action, based upon the need to maximize the use of our resources in directly supporting congressional legislative needs, as well as the importance of complying with the language and intent of the bills. If these bills were enacted, CRS management would necessarily conduct a thorough examination to develop options and strategies for implementation. Based upon our review to date, however, we believe any alternative approaches would likely be accompanied by substantial financial costs.

Costs of Technological Requirements for Implementation

We currently provide CRS products to the Congress via the Web in several ways: (1) as electronic documents in HTML format that allows congressional users to move from CRS products to other continually updated information sources (e.g., Bill Digest); (2) as electronic documents (HTML) that link to each other and to static sites and references; and, (3) as stand-alone products displayed in PDF format for viewing, downloading, and printing.

All CRS issue briefs, and 13 appropriations reports are displayed on the Web in both PDF and HTML formats. An additional 200 to 300 CRS reports that are also available via the Web are in PDF format only. (These reports are replaced and updated to reflect changing legislative developments). The PDF version is "stand alone" and does not "link" out to other documents or places; the HTML version on the other hand is really an electronic road map that links to other documents and sites within and outside of CRS.

A challenge in providing the public with the HTML version of CRS products is the 30-day delay contained in the bills. While we are withholding the HTML document from distribution, the status of the legislation discussed is marching ahead and the bill status "connection" is faithfully recording its progress. Thirty days later the HTML document is made available, linked to the status site, and is "still" discussing the situation as it existed 30 days earlier while the link now reflects current information such as the status of legislation today.

The only format that is common to all CRS Web products is PDF. This is the prime format for the 200 to 300 "flat" reports we maintain on the Web, and is also an alternative format we offer for issue briefs and the appropriations papers. Our PDF documents have no internal links; they are facsimiles of the hard copy. The PDF format has certain features that could be used in implementing the bills. PDF displays documents as they appear in print, and includes all tables, charts, graphs, and pictures. This format prints at remote locations, and can be viewed using free Adobe software now in wide use. At this time, the PDF format of our Web products is the one we could offer the public in the event the bills were enacted. A limitation of making a commitment to the PDF format, however, would be reduced flexibility in developing products for the Congress whose usefulness might depend on live links to sources which could not be made available to the public such as subscription data bases and full texts of copyrighted sources.

In implementing the bills we would distribute the designated CRS products in a PDF format from the CRS public Web site. The 30-day delay restriction, however, is a serious consideration and introduces complexities we have not encountered before. We have not yet determined the actual technique we would use to delay releasing public versions while continuing to provide Congress with the most recent versions. In estimating the cost, to the Library's Office of Information Technology Services (ITS) and to CRS, in very general terms, we assume that the public versions of products would be exactly the same as the congressional versions, that no editing would be required for the public versions to address copyright concerns or to limit public access to CRS authors. ITS and CRS would need to design and program a system to display the PDF files with an index of some kind and also develop a maintenance system to keep track of the various dates of release. We estimate initial building efforts would require a GS-14 level programmer devoting full time for at least three months, at a cost of about \$21,000. ITS and CRS would need to build a transfer and maintenance capacity to the public location; work the uploading and updating activities into the existing production streams; and develop a capacity to maintain the files, i.e., check, correct, add, delete, move, etc. For the continuing maintenance aspect of the project, we estimate it would occupy one person at the GS-13 level assigned to work full-time on this project, at an annual salary and benefits cost of about \$72,000. Should it be determined to be necessary to edit products

to create public versions, the costs of maintaining the public CRS Web site would be substantially greater.

Costs of Increased Direct Contacts between CRS and the General Public

Although S. 1578 and H.R. 3131 seek to preclude the general public from submitting comments directly to CRS about its products, we nevertheless anticipate increased public telephone calls and e-mail communications as a result of greater awareness of CRS and its publications. Our conclusion that CRS cannot in fact prevent such an increase in non-congressional calls is based on two considerations. First, we doubt that the Congress would wish CRS staff to summarily terminate all public callers without providing information of any sort. Second, we assume that many callers who were not satisfied by CRS would contact their Members' offices, and that in most cases their concerns or questions would ultimately be assigned to CRS as constituent requests, to which we would be obligated to respond.

We currently receive over 7,000 telephone calls annually from the public, 5,000 of which are automatically routed to recorded announcements through a phone tree. The remaining 2,000 callers reach the main congressional inquiry telephone line with questions which cannot be satisfactorily answered by these announcements. Public callers want: to express their comments about the substance of CRS products; to speak directly with CRS analysts about products and to discuss research strategies; to invite CRS staff to speak to their organizations about public policy issues; to ask CRS to consider additional material or points of view in products; to obtain information on when new products will be available or updated; and to learn about CRS products on particular issues.

CRS inquiry staff often spend up to 10 minutes or longer with each public caller and therefore are less able to assist congressional callers with urgent requests for research and analysis. With increased public awareness of CRS products on the Web, we would likely receive a higher volume of public calls with questions such as those described above. In addition, we would expect public calls for technical information or "troubleshooting" assistance. For example, questions about which search terms to use to find reports on particular topics, how to download and print reports and tables contained in them, requests for hard copy of reports for public callers who do not have printers, and so forth. Because the Web is accessible globally, we also expect a volume of international callers. Responding to noncongressional calls would require additional staff time or result in delays when congressional callers try to reach CRS.

To estimate the number of additional public contacts that might be generated, one useful comparison can be made to the THOMAS legislative information system. The Library's Office of Information Technology Services (ITS) receives approximately 1,000 e-mail inquiries about THOMAS every month and we expect that CRS could receive at least this number of inquiries by telephone or e-mail. We estimate the annual cost of this activity, based upon one staff member at the GS-11 level, at about \$55,000.

In addition to public calls and e-mail received and answered through established, centralized processes, we anticipate that more members of the public would want to contact CRS staff who have written the reports. These added public calls could potentially distract CRS staff from meeting pressing congressional deadlines. Further, the public could also e-mail questions and comments to CRS analysts who could potentially be swamped with comments and questions. The complications resulting from mixing increased communications from the public with those from congressional clients would require us to consider modifying CRS communications systems and systems for recording and tracking requests assigned to researchers/attorneys. Moreover, the long-standing practice of identifying the authors of CRS products for the convenience of the Congress, might need to be modified for public versions of CRS products, a costly process as noted above.

Costs Associated with Changes in the Number and Type of Congressional Requests for CRS Services

Increased Congressional Requests for Tailored Analyses

The closeness of CRS to the legislative process and the sensitivity of the Service's traditional culture of directly and exclusively supporting Congress' legislative needs currently shape the nature and content of its written products. If, however, CRS written products were routinely and readily available to the general public, including academics, other professional peers, and interest groups outside the Congress, CRS analysts would likely become more sensitive to addressing views, methods, disciplines, and expectations of non-congressional audiences. Congressional offices would be expected to contribute directly and indirectly to this shift of focus and emphasis as they would place more requests for CRS assistance in responding to com-

munications from non-congressional readers of CRS products. As a consequence of accommodating needs of the general public, CRS written work would shift away, or appear to shift away, from its current emphasis on immediate, legislative needs of the congressional audience. Members would be expected to meet their legislative needs more often by relying on confidential memoranda and briefings which are individualized and tailored to respond to their specific needs.

Members may also increase the number of requests for CRS confidential analyses to ensure that they are provided an opportunity—should they so desire—to reflect and consider questions that emerge from evolving legislative proposals before they have to respond to public inquiry about related issues. We recognize that the 30-day delay provision included in both bills is intended to address this issue by giving Members a period during which dissemination of CRS products would be limited. In our judgment, however, the knowledge that wholesale public distribution would ultimately occur within a relatively short period of time (long before most legislative issues are resolved) would persuade many Members to regard confidential memoranda and briefings as preferred vehicles for meeting their legislative needs.

Thus, expanding the audience for CRS products to incorporate the general public simultaneously would diminish the value of one of our most cost-effective activities in meeting the needs of the Congress (creation of products intended for distribution to all interested congressional offices) and magnify the demand for one of our most costly labor-intensive activities (tailored analyses for individual Members through memoranda or in-person briefings). With the increase in tailored products would come the necessity of duplicating work because of the demand of those Members who request that their examination of a legislative proposal remain confidential at that point in the legislative process.

Estimating Costs of Increased Congressional Requests for Tailored Analyses

We acknowledge that the estimates of costs associated with increased tailored analyses are imprecise, but we believe the methodology is sound and the estimates of increased workload are conservative. We assume that these tailored analyses would be in addition to the work currently performed by analysts, which includes the creation of approximately 1,000 CRS Reports and issue briefs per year. We estimate that 50 percent to 75 percent of those products are related to areas of active legislative interest; therefore, 500 to 750 products would generate proprietary interests on the part of some congressional clients who would want confidential, tailored analyses addressing their own concerns about the issues. We also make a conservation assumption that each of the 500 to 750 products would generate 2 to 5 added requests of this type across the Congress as a whole, or a total of 1,000 to 3,750 additional requests for tailored analyses. Actual demand in certain areas could be quite high, for example, as many as 25 members of a congressional committee or subcommittee might request individual tailored products on various aspects of an issue at hand.

To estimate the additional staff required to handle this additional workload (without sacrificing current services to Congress), we begin with the average number of the tailored analyses prepared by the 300 CRS analysts/lawyers. For fiscal year 1997 the total number of such responses in 5,680 and the average was 19. On this basis, we estimate that it would take an additional 52 to 196 analysts/attorneys to meet the added workload needs. Recognizing, however, that CRS staff spend time producing both customized products and general distribution products, we arbitrarily halve that number and estimate that CRS would need an increase of 26 to 83 analysts to handle the estimated increased workload. Based on average compensation (salary plus benefits) of \$87,700, total cost of the added staff would be from \$2,280,000 to \$7,279,000.

Constituent Requests for New or Updated Products

We anticipate that congressional demand would result in an increased workload with concomitant costs, some of which can be estimated and some of which are unknown. For example, having CRS products available to the public via the Internet is likely to result in requests by constituents to their Members for new general distribution products or updates to existing products. These constituent requests might involve areas without legislative activity for which no CRS products or updates are being considered. Costs for these activities are unknown because it is difficult to predict how many requests to CRS from congressional offices might be generated from this constituent demand, or how much time would be spent in completing the requests or negotiating with congressional offices if legislative priorities and CRS staff resources preclude honoring the requests. Similarly, it is difficult to predict how many complaints CRS might receive from congressional offices on behalf of constituents or to estimate the costs of time spent on dealing with such complaints.

Increased Demand for Paper Copies of CRS Products

Making even a limited group of CRS reports and issue briefs available to the public on the Internet would raise the public profile of both CRS and its products as sources of information. We recognize that vast majority of the public who have Internet access and may be equipped to print CRS products from their own PC's. Nonetheless, the literature indicates that a significant percentage of the public would not be able to print CRS products from their Internet workstations. The heightened public profile and the problems associated with the public's ability to print CRS products from the Internet combine to lead us to assume that demand for the paper copies of CRS products would increase in the form of Member requests to CRS on behalf of their constituents. With no experience in responding to wholesale public awareness of CRS products, it is difficult to predict how large an increase in demand for printed copies might be, but the increase relative to current demand would certainly be substantial. At the rate the public currently uses Library's THOMAS legislative information system, if one-half of one percent of accessions to CRS products on the Internet resulted in just one additional printed copy of a CRS product, CRS distribution of printed copies of its products would double. CRS currently distributes about 750,000 copies of products to the Congress, about 550,000 of which are printed copies.

Estimated added costs for personnel, paper and printing supplies are \$215,000 for a 50 percent increase in printing copies and distributing them through established congressional channels. The cost would be \$416,000 for a doubling in the number of copies printed and distributed. Printing costs are based on the following consumables (per page): toner (\$0.00183), staples (\$0.000919), developer (\$0.000323), paper (\$0.0044) and equipment cost (\$0.0112519). A major factor in the personnel costs is that CRS not only produces and maintains a large number of titles, about 1,000 new titles each year, but also frequently updates and revises products after their release. This aspect of operations has evolved to support the special legislative needs of the Congress and may be unique to CRS, at least on the scale at which CRS carries out this practice.

*Summary of Estimated Financial Costs¹**Costs of Technological Requirements for Implementation*

GS-14 level programmer for three months (a one-time cost): \$21,000.

GS-13 level staffer full time (recurring cost): \$72,000 annually.

Costs of Increased Direct Contacts between CRS and the General Public

GS-11 level staffer, 500 hours per year (recurring cost): \$55,000 annually.

Costs Associated with Changes in the Number and Type of Congressional Requests for CRS Services.

26 to 83 analysts/lawyers full-time (recurring cost): range from \$2,280,000 to \$7,279,000 annually.

Added printing costs including personnel, paper and printing supplies would be \$215,000 for a 50 percent increase in printed copies and \$416,000 for a doubling in the number of printed copies.

CONCERNS OF PUTTING CRS REPORTS ONLINE

Senator BENNETT. Senator Dorgan.

Senator DORGAN. Mr. Chairman, thank you very much.

I regret I have to leave for something that is an obligation that I just must get to. But I want to ask a couple of questions. I met with both Dr. Billington and Mr. Mulhollan yesterday. And I want to ask a question about this issue of the CRS online.

When CRS does a report for Congress—lets say I intend to ask CRS for a very brief report this afternoon on something—when you do a report for Members of Congress, and I use that report, it be-

¹ These cost estimates must be regarded as somewhat speculative, inasmuch as CRS has no previous experience dealing with large-scale direct dissemination of its products to the public. We believe that the assumptions on which the estimates are based are consistent with very conservative estimates and that actual financial costs could be substantially greater, perhaps on the order of multiples of estimated amounts. Significant costs in terms of CRS' continued ability to serve the Congress efficiently and effectively cannot be quantified and thus are not included in these estimates.

comes part of the public domain, because I have made it part of the public domain. If, however, someone had access to that report this afternoon and you update that report next Friday, when another Member asks a similar question and events have transpired, the report is different, is it not?

Mr. MULHOLLAN. That is correct.

Senator DORGAN. The reports that you are doing for us represent, effectively, staff work that changes over time. And my concern about this online approach is that someone might well take a CRS report that seems to be supportive of their position, because they have pulled it off the computer, and they discover that is something you have said, not understanding or probably not caring that you said something much different 1 month later because circumstances changed and you had another report on the same thing that was vastly different.

It seems to me that characteristic of your work for Congress makes it much different than, for example, a GAO that formally publishes a study, and that study represents exactly what they did and for whom and what the study was about. Yours is different, is it not?

Mr. MULHOLLAN. I would quite agree, sir. What I would like to emphasize that the change is not so much in the analysis, but the focus of the analysis. One may, at a committee design stage, be talking about eight different options, but later you are focusing on two, so you drop the other six options in the discussion, and elaborated on the two. What CRS does on a consistent basis is to try to focus on the stage of the decisionmaking process, so that we can be as concise and timely as possible.

And it differs. As a result, you can have, within 1 week's period of time, an issue brief updated each day, if, in fact, the issue is changing quickly from subcommittee, to coming out of the committee, to moving to the other Chamber. It is our job to help you with that.

Senator DORGAN. Dr. Billington, you are involved in a very aggressive approach, one that this committee very much appreciates, to try to move information and provide public access to information through the Internet and so on. You know of the case Mr. Mulhollan makes in the question I just asked. What is your opinion of that?

Dr. BILLINGTON. Well, I share the concerns of the Director of CRS. I think the difficulty with all of this is that the Nation and our thought processes have not yet come to grips with the implications of what this new technology is doing. I mean there is a broader philosophic risk, that you might get into a situation almost of plebiscitary democracy, where the representational process gets almost cut out of the decisionmaking process. There is already the rapid electronic media, television, which has, in fact, changed the deliberative processes of our form of Government.

I am not necessarily offering a net judgment on this particular matter; it is for the Congress to decide how we should serve it—but it does seem to me that the issue raises real problems for the representational function, we have a representative Government, we do not have a direct plebiscitary system of Government. And the deliberative function of the Congress will be altered, if the

Members are, in effect, responding not only to the running requests at different levels of committee and individual Member deliberation and between the two Houses, and if they are, in some sense, also responsive to a direct communication with a national audience. If the public can obtain such information without going through the Representatives for whom we work, then the Representatives have made a decision, in effect, to change the way they do business. And it is going to change the nature of the reports, necessarily, that the Congress will get.

And I think it could interfere, unless there is very great expenditure involved. And it runs the risk of interfering with their direct constant responsiveness to you. This is a system that has been functioning for more than—well, it is 80 years now. It is really unique. And it is fascinating to see how many other countries are interested in finding some way of replicating this kind of service—because legislation, more than ever, has to be based on knowledge and analysis. Things are so complex; there are so many players; there is so much international interaction with our economy, and so forth.

So it seems to me that you should keep the focus on your representational function. These are entirely decisions for you to make—it is for you to decide how we best serve you. But I do think it raises—and in a sense, risks prejudging the effects before we really have any sense of, or any full analysis or understanding of what the effects would be.

There is an old statement: If it ain't broke, don't fix it. You have something that is not only not broke, but it is functioning, I think, quite well and responsively for the Congress in a time when you really need this kind of analysis on a pooled, efficient basis.

So I would be reluctant to superimpose this added thing, just thinking that it is a question of putting it up online, because it is going to change the nature of the work that they will do. And it is also going to change the expense of it, because you will be flooded with all kinds of informational requests and we will end up having to respond to all kinds of things, whereas now we just respond to you, and you make the decision as to how to further distribute it.

Senator DORGAN. Well, that is why I asked the question: Will it change the nature of the work, and the type of work, done by CRS? I mean I think the motives are just fine of people who are asking this question. Because I think that much of what we do and much of what we produce as a Government should be made available as quickly as possible and as easily as possible to the American people.

But, for example, if in the spirit of openness one suggested that really everything that is written in Senator Bennett's office with respect to any issue between him and his staff and so on should be made available to anyone so they can have a better sense of how he is making his decisions—what kind of advice is he getting from staff and so on—I suspect he would be troubled by that. I certainly would be. Because there is a lot of informal communication back and forth.

And I am wondering here about the nature of CRS being essentially a staff function of the Congress that produces reports that

are constantly changing—by necessity, constantly changing, because the requests from Congress on different days, with different nuances, on complicated issues—in some cases dealing with foreign affairs and defense issues and weapons programs and so on—I would worry very much about someone saying, well, let us just shove all of this out there, and wonder what the consequences would be if someone who next, then, is answering a very technical and very difficult question from Senator Bennett or myself, and thinking to themselves, how can I write this now because I know this is going to be put up on the web tomorrow; gee, I do not think I can say it quite as candidly as I might have said it before because someone will misinterpret it.

So the reason I ask this question is I think the people who raise this do so in good faith, but I think this might be an area where we want to be very careful about what we decide to put on the web. Every Member of Congress has the capability of taking this information, a CRS report, and putting it on their web page or making it accessible in one way or another to their constituents.

Dr. BILLINGTON. Senator, there is one other point that is worth making. I think—because I am sure those that are suggesting this are concerned with getting more information out and getting as much as possible. The Library of Congress, as an institution, is capable of directly responding to the public. We answer 1 million inquiries a year from all over the country. We are the library of last resort for most other libraries and other sources of information needs. If people do not think they are getting enough information, well, you can direct them to the Library—that is part of our job as it exists.

Moreover, there is the Thomas system of getting congressional information out, which we are making much more user friendly. Usage quadrupled from September 1996 to September 1997. We are getting out a great deal of information about the Congress—but these are finished products of the Congress, that are going to enable ordinary citizens to decipher and get the kind of information they want to know about voting records, about the status of bills, about the bill digest, that kind of information.

So we are, in fact, getting a lot more information out. We are able to answer, through our regular system, general inquiries that people have. So I think we are not talking about not getting more information out to the American people; we are talking about a question of whether this particular dedicated, unique service that CRS represents should be opened up, and if so, in what manner and with what resources. Because the other point does have hidden costs that you cannot anticipate until you get into it. And so that should be taken into consideration.

Senator DORGAN. Well, I thank you for your responses.

Mr. Chairman, thanks for your generosity.

Senator BENNETT. Let me comment before you have to leave on the same issue as I have thought it through. And I think Dr. Billington's comments were very helpful.

The Library of Congress currently is staffed to the Congress. The net effect of this proposal would be, in the eyes of some, to make them the authority and us subject to charge if we did not do what they told us ought to be done. I am thinking of an experience

where I made, for me, a fairly major speech on the economy, and I turned to the Library of Congress for data.

Very appropriately, some of the people in the Library of Congress who provided that data said the data demonstrates thus and such. I said, no, the data does not. In my opinion, the data demonstrates thus and such, and we hammered it out. And I took the Library of Congress data as the basis of my speech, but not necessarily the conclusion that the particular staffer had come to.

I could see a situation where my opponent in the next election grabs hold of this and says, you have deliberately distorted the authoritative information—the Library of Congress told you that is the way the economy works and you chose to disagree with it, and make them the ultimate decisionmaker when, in fact, we should be the ultimate decisionmakers, and they function in a staff position.

This particular woman, very quickly, when she realized the direction which I was trying to go, said, oh, you are right if you are pursuing that part of the economy, this data does not apply. But that was a conversation that was not evidenced in the written report provided. And I think that is a very dangerous position to put you in—you, the Library of Congress—because we do get to the point where you have direct democracy of the kind Alexander Hamilton was most afraid of: We do not have a representative republic where we are the ones who are responsive.

Dr. BILLINGTON. You will tend to get a more pablumized product, basically.

Senator BENNETT. Yes; to avoid that very thing.

Dr. BILLINGTON. To avoid that, so that nobody—

Senator BENNETT. Yes.

Senator DORGAN. And that means less useful product, in my judgment. And the reason I asked this question—I met with both of you yesterday and talked a bit about your organizations—and the chairman will likely have some questions about your organizations—but both CRS and the Library of Congress provide invaluable service to Congress and we very much appreciate that.

I regret that I must leave. And I appreciate the chairman's generosity.

Senator BENNETT. Thank you. I appreciate your question.

Let me run through a few of these rather quickly. Dr. Billington, you are planning a celebration for the bicentennial, as well you should. This is something that is deserving of celebration. Can we anticipate a request for appropriated funds to deal with that opportunity?

Dr. BILLINGTON. Well, we are relying primarily, certainly up to this point, on private funding. We have raised, thanks largely to the generosity of our Madison Council, about \$1.5 million for this. And we would, I think, plan to primarily rely on the private funding for this. I do not think we can confidently give an absolutely categorical answer on that, but we are certainly going to make every effort to fund this ourselves. We have so far.

And we are very interested in congressional participation, because we hope to have programs that will relate to every congressional district in every State in the country. Because the theme is gifts to the Nation. And so we want to work very closely with the Congress on this. We have asked for authorization for an official

recognition by the Congress of the bicentennial. The Joint Committee on the Library is the oldest joint committee of the Congress. We came into being as the Congress did—and for nearly a century in the Capitol Building.

So we will want to work very closely with the Congress on this. And I would not absolutely say that we may not have some needs that we would want to discuss with you. But our plan has been, and so far, we have been dealing only with private funds.

Senator BENNETT. OK. Thank you.

Congress has provided you authority for a transfer of a facility in Culpeper, VA, to the Library. We need not address it here, but I would hope you would submit for the record a summary of the Culpeper transaction so that we can have it as part of our record.

Dr. BILLINGTON. Yes, sir, I would be glad to do that.

[The information follows:]

SUMMARY OF CULPEPER AUDIO-VISUAL CONSERVATION CENTER TRANSACTION

Legislation authorizing the Architect of the Capitol (AOC) to acquire the property in Culpeper for use as the National Audio-Visual Conservation Center was signed by the President on December 15, 1997. The Packard Foundation is proceeding to secure necessary environmental and due diligence studies under the direction of the AOC and anticipates purchasing the property by April 1998. A master plan, which will describe the work necessary to make the facility fully operational, is due in June 1998. Once the AOC and Library have analyzed the master plan, we will present options to the appropriate committees for a date of transfer of the property from the Packard Foundation to the AOC. At the request of the Senate Rules Committee, the Library and AOC will provide joint monthly status reports on the Culpeper project to the appropriate Congressional committees.

The Culpeper facility will enable the Library to centralize in a secure and environmentally suitable facility all of its existing audio-visual collections—now stored in five locations: Wright-Patterson AFB, Ohio; Suitland, Maryland; Boyers, Pennsylvania; Landover, Maryland; and Capitol Hill.

Senator BENNETT. And you are requesting slightly over \$1 million to begin operation of your first offsite collection storage facility at Fort Meade. When do you expect to occupy the Fort Meade facility?

General SCOTT. We have projections from the Architect of the Capitol that the first module would be ready by July 1999. Our plans are to move in and take occupancy of that space by September of that year, 1999.

Senator BENNETT. And do you plan additional storage modules? And if so, on what time schedule?

General SCOTT. In our strategic plan, we have one more module scheduled for fiscal year 2001—module No. 2. And then, following that, in fiscal year 2003, module three and module four are scheduled.

PREPARED STATEMENT OF THE AMERICAN BAR ASSOCIATION

[CLERK'S NOTE.—The statement submitted by the American Bar Association previously mentioned will be inserted in the record at this point.]

[The statement follows:]

PREPARED STATEMENT OF THE AMERICAN BAR ASSOCIATION

Mr. Chairman and Members of the Subcommittee, the American Bar Association (ABA) appreciates the opportunity to provide written testimony supporting the fiscal year 1999 budget of the Library of Congress and its Law Library. My name is Janet

S. Zagorin. I am Chair of the American Bar Association (ABA) Standing Committee on the Law Library of Congress. This testimony is being submitted on behalf of the ABA at the request of Jerome J. Shestack, President of the Association.

With over 391,000 members, the ABA is the world's largest professional organization. Due in large part to a sophisticated volunteer network, the ABA has been able to play an important role in ensuring that our government is committed to leadership in the development and maintenance of a first-rate library. It is the ABA's hope that you will continue to grant adequate funding for the Library to continue to build its leading presence on the Internet and preserve its treasures for future generations.

The ABA has given special focus to the Law Library of Congress through its Standing Committee on the Law Library of Congress, which was created in 1932 because the Association was committed to its growth as the nation's principal repository of legal literature and sources. And we have watched in awe as that collection has become one of the most prestigious and comprehensive legal collections in the world. It is an archive of the best that the world's legal minds have produced, complemented by a unique corpus of foreign-trained lawyers that apply expert legal research and analysis on laws of other nations, international law and comparative law, making it also a living resource that reflects and helps to exert our vision of democracy and promotion of the rule of law throughout the world.

As Americans consider the globalization of our economy, the spread of democracy, and the advancement of fundamental freedoms and human rights, the world's reliance on the Law Library of Congress becomes more imperative. Congress' continued support of the Law Library of Congress is a testament to other countries of our devotion to freedom of information and access to the laws of our land. Lawmakers of other countries increasingly are relying on the resources of the Law Library of Congress as they attempt to use the American legal system and its commitment to transparency as a role model for their own lands.

Since 1993, the Library has creatively absorbed the impacts of a flat budget, but it has been forced to reduce valuable staff and services, and now, as it prepares for the challenging information demands of the next century, there is no flexibility left. While we appreciate Congress' continued interest and support for the Library of Congress during these austere fiscal times, the ABA urges you to prevent further erosion of its workforce and resources by granting the Library of Congress the resources it needs to address these demands.

The Law Library, bolstered by its masterful inroad into the electronic age through the development and leadership of an international cooperative effort for a multinational legal database—the Global Legal Information Network (GLIN), in effect represents the Congress in a global outreach project to bring all of the world's legislative bodies into closer and more informed exchange of legislative solutions to worldwide problems. GLIN is an innovative effort involving government partners throughout the world who share via the Internet the full, official text of their nation's laws and regulations. It performs the dual function of expediting the Law Library's research services to Congress as well as promoting international communication, exchange, and comprehension of legal information. The funding requested for the Library's automation projects including GLIN will undoubtedly strengthen and enhance its efficiency and effectiveness internally and globally, in serving the Congress, in expanding public access to its invaluable collections, and in sustaining its leading role as steward of this vast knowledge.

As the Library of Congress continues to meet new technological demands, its challenge to remain a leader in serving the Congress and the nation, without adequate resources, becomes more difficult. While economic realities are forcing our major public institutions to be more competitive, information technology simultaneously is providing unlimited opportunities to be not only cost-effective, but also innovative. GLIN, a promising part of the entire digital effort of the Library of Congress, reflects the Law Library's commitment toward that end. Moreover GLIN, a true multinational database, enables the Law Library of Congress to enhance its leadership role in providing expertise on legal matters of interest to Congress and the nation.

Although the Congress is the priority client of the Library of Congress and its Law Library, I know that you will agree that this important institution renders a great deal of valuable service to the nation. That service should be supported by the Congress because it enhances the lives of all of us. Given the challenges of today's world and the great resources of the Library, it should be made more—not less—accessible.

I know that you are facing many difficult choices as you continue to search for ways to contain the Legislative Branch budget, but I hope that you will spare our nation's Library in that search. During the last several years, the Library has creatively coped with a flat budget as it joined the campaign for a smaller government,

but the bottom line has been that important services are now lacking and there are too few staff to strategically plan for the rapidly increasing demands of its resources in an increasingly digital world. Giving the Library of Congress and its Law Library the support it now needs to, for example, restore depleted reference services, expedite legal analysis and report preparation, and strengthen the Law Library's presence on the Internet would be a significant and timely gift to our nation.

As we celebrate the valiant restoration and reopening of the Thomas Jefferson Building and approach the Library's Bicentennial in 2000, we are reminded that the Library of Congress is a tremendous source of pride for the nation and a true symbol of its founding ideals. At a time when nations all over the world are questioning their leaders, their systems of justice, and their very foundations, it is imperative that we support the primary institution that preserves the knowledge and ideas that sustain us as a community and a nation.

Mr. Chairman and Members of the Subcommittee, the American Bar Association appreciates your courtesy in allowing me to submit this testimony. We hope that you will look most favorably upon the budget request of the Library of Congress and its Law Library. The information concerns of the next century demand it.

ADDITIONAL COMMITTEE QUESTIONS

Senator BENNETT. OK. Well, we may have some other questions that we would submit to you in writing, but we thank you for your presentation here today. We thank you for your diligence in presiding over what truly qualifies as a national treasure. There was a time in the rhetoric of this country when those words were somewhat debased with overuse. But the phrase "national treasure" certainly applies here if it applies anywhere.

And you have a most significant stewardship, Dr. Billington, and you have discharged it well. And we in the Congress are grateful to you for that.

Dr. BILLINGTON. Thank you. I would just like to say that the biggest treasure we have is the people that work at the Library. I mean when you consider that our staff set the world's record of cataloging, with many less people than they have had in the past. Just to take one example of the kind of work of the people that do not get to appear here, but behind me are not only these wonderful people that are leading the different divisions of the Library, but a very, very dedicated staff.

And I know that all of them tremendously appreciate the support and the encouragement they get from all of you here in the Congress. So we do thank you. And thank you for this opportunity to be here.

Senator BENNETT. Thank you very much.

General SCOTT. Sir, thank you.

Mr. MULHOLLAN. Thank you.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

INTEGRATED LIBRARY SYSTEM

Question. Congress provided \$5.5 million for an Integrated Library System in fiscal year 1998. Please update the Committee on the progress and status of that project. Please address how requirements identified in the conference report were/will be met. In addition, please provide an updated time line for the project.

Answer. Beginning with management issues, an Integrated Library System (ILS) Project Office has been established, headed by a senior-level staff person reporting directly to the Deputy Librarian and Associate Librarian for Library Services. The Office Director has created a robust project management structure, and has already filled three key ILS management positions. An RFP has been issued and responses

have been received. Vendors have presented on-site capability demonstrations to the Library's technical evaluation committee, who are completing their final reports and scores. Vendors' "best and final" offers are scheduled to begin March 30, 1998, and run three to four weeks. The Library plans to award a contract in late April or early May.

Regarding the requirements of the conference report, the ILS Program Office is completing the ILS Implementation Plan for presentation to Congress in April. The plan will address all requirements in the Conference Report, including tracking and reporting benefits and costs.

The ILS time line follows:

- March–April 1998—Form implementation teams
- April 1998—Brief Congressional committees
- Late April–early May 1998—Award Contract to ILS vendor
- May 1998–October 1999—Deliver schedule products (Milestones from Schedule F—Delivery Schedule—from the RFP)
- October 1999—Make all ILS modules operational; turn off legacy systems
- November 1999—Begin Business Process Improvement analysis

Question. Please explain how the new Integrated Library System (ILS) schedule slippage affected your Year 2000 program.

Answer. The ILS Program remains on schedule for implementation in October 1999, before the Year 2000. The only change in the ILS schedule was a minor adjustment in the date for awarding the contract; and the Library made this change to accommodate requests from vendors. In our opinion, that short extension of time to allow vendors to prepare extensive on-site capability demonstrations was necessary and will shorten the time required for ILS implementation. The Library is developing contingency plans for mission-critical automation functions. The Library expects the ILS to be operational in October 1999.

LEGISLATIVE INFORMATION SYSTEM

Question. Working with Senate staff, the Library and CRS have developed an integrated legislative information retrieval system to provide better access to information needed for congressional work. The Library is requesting two additional positions in the 1999 budget to continue development of this system. What is the status of the Legislative Information System and why are two additional positions needed?

Answer. The Library absorbed the cost of developing and operating the Legislative Information System (LIS) which depends heavily on the design and development work done to create and maintain THOMAS. There are currently 10 FTE's (in ITS) and another 2.5 FTE's (in CRS) assigned to LIS/THOMAS. The LIS has been operational since the start of the 105th Congress, and is being steadily expanded with new information files and new functionality—especially enhanced searching capabilities. LIS will replace some of the current House and Senate legacy systems as they are retired over the course of next year. A detailed plan projecting the LIS development schedule for new capabilities has been reviewed by Senate Rules and will be presented to House Oversight soon. Two additional positions are needed to deliver this projected development workload and to absorb the increased maintenance workload which results from new development and the consequent larger base system.

GLOBAL LEGAL INFORMATION NETWORK

Question. The Law Library is developing an automated network to receive the laws of other nations. Eleven nations are now sending their laws to the Library's network electronically via the Internet. The Library's request includes \$356,000 to support the Law Library's automation efforts. What are the Library's plans for expanding the legal network and how will the additional funds be used?

Answer. A significant expansion of the Global Legal Information Network (GLIN) is proposed by:

- The Law Library working with the Parlamento Latinoamericano (Latin American Parliament comprising 22 nations of Latin America and the Caribbean) to encourage all their members to join GLIN. These countries would contribute their own current laws, and as that potential is realized, Law Library staff can concentrate on adding retrospective material from the Law Library's collections as part of its overall digitization effort.
- The Law Library working with the U.S. Department of State to encourage GLIN membership for the 18 economies of APEC.

The additional requested funds will be used to establish the minimum level of technical support within the Law Library to sustain and enhance the digital Law Library. The new automation staff will: Maintain and enhance the Law Library's

Internet site including the GLIN application which provides for input, update and retrieval of official legal information and digitized documents; and develop capabilities to acquire and to control an increasing number of legal sources that exist only in digital form (currently established at 20 percent of total).

YEAR 2000

Question. Has the Library initiated the development of contingency plans to be prepared in the event of systems failure on Jan. 1, 2000. Please explain.

Answer. Yes, contingency planning has been initiated at the Library. The Deputy Librarian designated Library business unit leaders as responsible for contingency planning associated with each of the Library's mission-critical systems. GAO has just issued, as an exposure draft, their guidance on contingency planning. We are studying that draft and are using that guidance in preparation of our contingency plans.

CONGRESSIONAL RESEARCH SERVICE

Question. At the Library's hearing before the House Appropriations Subcommittee on Legislative, the issue was raised whether CRS is duplicating estimating work done by the Joint Committee on Taxation. Is there a duplication?

Answer. CRS complements the work of the Joint Committee on Taxation (JCT) but does not duplicate it. Official revenue estimates are provided exclusively by the Joint Committee on Taxation. If CRS is asked for revenue estimates, it provides those issued by the Joint Committee.

CRS provides economic and legal analysis on tax issues for Members and committees, including the Joint Committee on Taxation, the Ways and Means Committee, and the Finance Committee. It supports the JCT by providing technical or factual information in areas requiring expertise available in CRS but not routinely needed by the committee staffs (e.g. the relationship of tax provisions to campaign financing). CRS also uses tax and subject area expertise to analyze the total Federal commitment and approach to specific public policy areas (e.g., child care).

CRS and the Joint Committee have differing and unique roles—as do CBO and GAO. Individual Members of Congress, in placing their requests, make the judgment as to who can best meet their support needs. CRS staff remain in contact with staff of the Joint Committee as well as staff of other committees and agencies in order to provide support and to avoid duplication. When CRS gets questions which clearly fall within another entity's unique mission, CRS refers the requester to that entity to avoid duplication.

QUESTIONS SUBMITTED BY SENATOR BYRON DORGAN

LIBRARY SECURITY

Question. Dr. Billington, two years ago, this subcommittee directed the Library to develop an extensive security plan. My understanding is that you have submitted that plan and that it was recently approved by the Senate Rules Committee. Accordingly, the Library is requesting \$2.5 million to improve the security of its staff, collections, and facilities. The Architect of the Capitol is requesting another \$2 million in addition to your request of \$2.5 million, to improve Library security. How do the funds requested address the tasks listed in your security plan? What has the Library done to address the recommendations contained in GAO and consultant reports?

Answer. The funding addresses three top priorities cited in the Library Security Plan: \$982,000 for entry security to bring the Library up to the standard used by other Capitol Hill Buildings—which includes the use of x-ray scanners and metal detectors; \$993,000 to mark and to apply detection devices on 1.2 million items received through the Copyright Office; and \$435,000 to conduct eleven risk assessments of key processing and custodial divisions.

The Library responded to GAO recommendations and consultants by implementing over 200 specific recommendations listed in the 1996 Computer Science Corporation security survey and by developing a comprehensive collections security plan. The plan identifies potential threats and vulnerabilities and calls for specific minimal thresholds of security for segments of the collections. While the Library reacts to instances of theft and mutilation of the collections by seeking identification and prosecution of the criminal, the Security Plan is now the basis for comprehensive decision-making.

Part of the funds sought by the Library will be used for collection risk assessments. The risk assessments are an intensive examination of all the controls and

processes in place to protect the collections. Recommended actions based on the risk assessments will be integrated into the Library Security Plan for implementation.

COLLECTIONS SECURITY

Question. Last year, a theft of materials from the Library's rare book collection was uncovered when a book dealer in Massachusetts reported that someone was trying to sell items belonging to the Library. How is the Library responding to this theft and what steps are being taken to prevent future thefts?

Answer. The Library's policy is to pursue aggressively instances of theft or mutilation of its collection. The specific case was resolved on March 12, 1998, when the court accepted a guilty plea; sentencing is scheduled for July 8, 1998. Within the Rare Book and Special Collections Division, controls have been tightened by changing processing activities. Items are now stamped with Library ownership marks immediately upon accessioning; signature are required as items move through the processing phases. During the past year, 600,000 items have been stamped and a complete inventory of the collection has commenced.

The overall security for the collections is outlined in the Library's Security Plan approved by the Senate Committee on Rules and Administration. The Security Plan categorizes the Library's collections into a hierarchy of five risk levels, with the strongest protection accorded the Library's "Treasures" and other rare items. Lesser degrees of security controls are applied to the general collections. The Library is currently applying the minimal standards to all collections on Capitol Hill; the results of the analysis will be used to assess any vulnerabilities and to rank protective remedies.

NATIONAL DIGITAL LIBRARY

Question. Dr. Billington, the National Digital Library was approved by the Congress in 1996 with the understanding that for every Federal dollar the private sector would contribute three dollars. In total, the \$45 million of the estimated \$60 million project was to be funded by private contributions. What is the status of the private sector contributions towards this project?

Answer. At the close of fiscal 1997, we had raised \$28 million. Further, we are proud to report that with recent pledges, we will meet our \$45 million goal well ahead of schedule. Just last month, John Kluge, Chairman of our James Madison Council, issued a challenge at our Madison Council meeting in by pledging up to \$5 million in a \$2 match for every \$1 we raise to complete the funding for this phase of the NDL.

COPYRIGHT OFFICE

Question. Ms. Peters, late last year, the Copyright Office was given new authority to adjust statutory registration fees after the completion of a cost study and final review by the Congress. Higher registration fees would lower the need for appropriations. The Library's fiscal 1999 budget does not include a request for additional authority to spend receipts from registration fees. When does the Copyright Office plan to adjust its registration fees?

Answer. I will propose a schedule of statutory fees to Congress in fiscal 1999, to go into effect July 1, 1999—these fees not reflected in the fiscal 1999 budget. We need to evaluate the sensitivity of higher statutory registration fees on the public demand and to consider operational and policy issues. The fiscal 2000 budget submission will reflect these new statutory fees. New discretionary fees will be implemented on July 1, 1998, and are reflected in the fiscal 1999 budget submission.

Statutory fees are filing fees for registration of claims and recordation of documents. The legislation permitting the Office to increase statutory fees requires a cost study, economic analysis and that consideration be given to the objectives of the copyright system. Public hearings will be conducted to solicit comments from the copyright community. Revised statutory fees may be instituted after the end of 120 days after the schedule is submitted to the Congress, unless within that 120-day period, a law is enacted stating the Congress does not approve the schedule. Due to the complexity of this process, the Copyright Office does not plan to implement new statutory fees until July 1, 1999. Discretionary fees are service fees for special or expedited handling that account for approximately 10 percent of fee revenue. Since they do not involve public hearings, economic analyses or mandatory congressional review, they will be implemented in July 1998.

Question. Dr. Billington, I know the Library is taking steps to ensure that its automated systems will work after the Year 2000 century change. GAO has reported that a number of agencies are not fixing their mission critical systems fast enough which may result in program failures in the year 2000. Please provide the subcommittee with a description of the steps that the Library is taking to ensure that the Library's systems will be working in the Year 2000?

Answer. The Library is devoting maximum available resources to its Year 2000 effort, and has tasked its Information Technology Services group with leading this initiative and performing the central coordination function. In addition, Library managers in each of the other service and support units have also been assigned responsibility for Year 2000 planning and results specific to their units.

The steps being taken to ensure that the Library's systems will be working in the Year 2000 follow GAO guidance, and are: inventory; analysis; modification or upgrade; testing; and implementation. Each step involves a series of tasks with target completion dates. Dependencies have been identified as part of the inventory and analysis phases, so that tasks associated with subsequent steps can be accomplished in parallel, as much as possible.

GAO guidance indicates that all agencies should complete all phases or steps several months before Library plans indicate will be possible. While the Library would like nothing better than to plan for completion of all Year 2000 renovation work earlier, it is simply not realistic to do so. Some Library systems are already Year 2000 compliant, some will be completed well within GAO's suggested targets, and some will be completed several months later than GAO suggests. Because we have made every effort to prepare realistic plans, we cannot honestly report that we will meet the GAO targets in every case. However, we fully expect to complete all renovation, upgrade, or replacement of all Library mission-critical systems, before Year 2000 program failures become a problem.

CONGRESSIONAL RESEARCH SERVICE

Question. Mr. Mulhollan, last year the Congress did not fund your proposal to hire additional staff for a succession initiative. CRS is again requesting funding of the succession initiative which would overlap critical analytical staff slated for retirement. Why do you believe the succession initiative is a critical budget item? Since last year's budget, do you have additional information that would further support your request?

Answer. We resubmitted the succession initiative for a number of reasons. We understood that Congress' decision not to fund the succession initiative last year did not necessarily speak to the merits of the proposal but rather reflected the severe budgetary constraints on the fiscal 1998 Legislative Branch budget. By 2006, half of CRS's current staff will be eligible to retire. Nearly two-thirds of those eligible, about 250 people, plan to leave during that time frame. These losses pose a major challenge to our ability to ensure the continuation of our analytic services to the Congress. In many dozens of meetings I have had with Members over the last year, I have heard great concern over the impending loss of CRS experts on whom Members rely. Many Members have expressed their support for the initiative the Service has shown to deal with this serious problem, as well as for the specifics of the plan. While we recognize that budget constraints are still a concern, as we move a year closer to those retirements, it is our responsibility to address such concern of Members, and to avoid, if at all possible, a significant reduction in our analytic support to Members.

The CRS staff eligible to retire in the next six years are our most senior, independent, and authoritative analysts and specialists. Unless we can get a "head start" on replacing them, we will have to wait until the year they retire, and hire their replacements without sufficient lead-time to bring those replacements up to the level of competence necessary to sustain our current analytic and research services. Under this scenario we would have to hire replacement staff at the mid- or senior-levels to minimize service disruptions which raised concerns that we would be less likely to find a sufficient degree of diversity in the applicant pool than would be the case with entry-level hires. In addition, mid- and senior-level experts may not have all of the quantitative skills that are now standard requirements in public policy graduate schools and which are needed as we analyze research and information and formulate methodologies to analyze alternative methods for approaching public policy issues like health, social security, transportation, and tax.

Question. As you are aware, Senator McCain has introduced a bill, S. 1578, which would make certain information available for access and retrieval by the public—on the Internet—through the Congressional Research Service web site. Please pro-

vide the subcommittee your views on this legislation and any ideas you have on an alternative to this issue.

Answer. As I indicated in my written testimony before your Subcommittee, we believe that S. 1578 raises significant issues, both for the Congress and for CRS, which you and your colleagues may wish to consider before you decide to change the policy governing the dissemination of our products. I should emphasize that CRS has no position on this issue, for this decision clearly rests with the Congress. However, it is my responsibility to inform you of possible unintended consequences or implications of such a change in policy. For more detailed information on this matter, I would refer you to the materials which I submitted for the record with my statement concerning the history of congressional action on this issue, the legal and constitutional issues involved, the estimated cost of implementing this legislation, as well as the more general question of Members' potential liability for disseminating material over the Internet.

Implications for Member-Constituent Relations.—First and foremost, I am concerned that this proposal threatens the important relationship that Members have with their constituents. Historically, constituents have gone to Members of Congress when they have questions about legislation. The wholesale direct dissemination of CRS products to the public would bypass this longstanding relationship by denying constituents the benefit of their Members' additional insights, party viewpoints, or regional perspectives on CRS analyses.

Consequences for CRS Operations.—In addition to these direct impacts on Members, CRS believes that wholesale direct dissemination of CRS products would have serious consequences for the Service itself, requiring us to divert scarce resources away from our statutory mission. Our analysts inevitably would have to shift the focus of much of their work away from the direct needs of the Congress to address the much more diffused and varied perspectives and interests of the public. In order to meet the immediate demands of a pressed congressional calendar, CRS authors often provide minimal context and background in their analyses, assuming the congressional reader's knowledge of the various stages of the legislative process, the distinctions between authorizing and appropriating decisions, and similar matters. Were CRS authors to broaden the coverage and scope of their products to meet the needs of an expanded, non-congressional audience, they would do so at the expense of refined, concise analysis targeting the needs of Members and staff working directly in the legislative arena.

Another consequence of wholesale dissemination is that much of the efficiency envisioned in our business plan to deliver services in an electronic environment would be lost. We have designed our Home Page to make our reports, issue briefs, and services readily available and to present them in a format that can be customized by each congressional client, allowing the user to draw from it that information of greatest value, modify it, and easily explore related topics both within CRS and through links to outside sources. Having a second CRS Web site directly available to the public, which cannot take advantage of such links will require us to establish two vehicles of service, and, given limited resources, will diminish our effectiveness in meeting your legislative needs.

Legal Issues.—Additionally, S. 1578 and its companion House bill raise significant legal issues for CRS. Wholesale dissemination of CRS products could bring into question the availability of speech or debate clause protection undermining the presumption of confidentiality, which is so crucial to the trust relationship between CRS and our congressional clients. Relevant Supreme Court rulings indicate that the dissemination to the general public of CRS products would not be considered a legislative act but would be viewed by the courts as an exercise of Congress' representational function, for which speech or debate immunity is not available. Those engaged in the preparation and public distribution of CRS products could be vulnerable to a variety of judicial and administrative proceedings. Wholesale dissemination also carries with it the risk of copyright infringement claims. If access to CRS products is broadened, our ability to use copyrighted material in our reports might be restricted or denied altogether.

—*Cost Factors.*—A final concern posed by S. 1578 involves the costs to CRS of implementing this legislation. With the caveat that some of these "costs" are difficult to quantify (e.g. the possible loss of speech or debate protection), and recognizing that our analysis is still ongoing, I can say to you with confidence that enactment of legislation such as S. 1578 would require a substantial commitment of CRS resources in four key areas:

—First, staff time would have to be devoted to creating and maintaining a separate CRS Web site for dissemination to the public.

- Second, additional costs can be expected to handle the anticipated, and indeed inevitable, large increase in direct contacts between CRS and the general public resulting from wholesale direct dissemination.
- Third, we anticipate that the heightened public profile of our reports and issue briefs will lead to an increased demand for the paper copy of CRS products in the form of Member requests to CRS on behalf of their constituents.
- Finally, Members themselves, concerned that our products will be circulated far more extensively than in the past, would likely place many more requests for tailored, confidential memoranda in order to afford themselves the opportunity to reflect upon and consider questions emerging from legislative proposals before having to respond to public inquiries. Confidential memoranda designed for a single client, which cannot be released to other Members without the requestor's consent, are far more expensive on a per-unit basis than products which can be available (either electronically or in hard copy) to all interested congressional offices.

Alternatives.—We believe that greater public access to CRS products could be obtained under the current policy of selective congressional dissemination, without encountering many of the costs, legal issues and institutional difficulties attendant upon legislation such as S. 1578.

Under present guidelines, congressional offices serve as the disseminators of CRS products to the public. During fiscal year 1997, CRS sent almost 750,000 copies of our Reports and Issue Briefs to congressional offices. We believe that a significant proportion of these were used in responding to constituent inquiries, including specific requests for our products as well as general inquiries on various topics.

Moreover, current technology now enables Members and committees to make appropriate CRS products available to constituents in electronic format through their respective congressional home pages. We learned from a recent informal survey that all 100 senators, 350 House Members, and 44 committees now have their own Web sites, evidence that there is ample capacity to make our materials widely available to the public on a selective basis within current policy guidelines.

To assist in achieving this objective, CRS is prepared to assist our oversight committees in working with Member offices and committees in identifying those of our products which would be suitable for placement on their Web sites. CRS can also provide advice on the technical aspects of transferring CRS documents to congressional web sites. Finally, CRS is available to advise congressional offices of any possible issues of legal liability which might arise from the dissemination of any materials over the Internet.

A final point is that this alternative does not present several of the issues and concerns raised by S. 1578. To summarize briefly:

- Since Members themselves would continue to make our products available, their direct relationship with constituents would not be affected.
- Continuation of a policy of selective dissemination would limit direct dissemination to products appropriate for such treatment, thereby reducing the need for major changes in the content and focus of our materials.
- Eliminating the requirement for a Web site maintained by CRS, and preserving a policy of selective congressional dissemination, make it less likely that the confidentiality of our products under the speech or debate clause would be successfully challenged.
- Retention of current policy eliminates the costs associated with maintaining a separate CRS public web site, and lessens the likelihood that Members would request many more confidential memoranda.

OFFICE OF COMPLIANCE

STATEMENT OF RICKY SILBERMAN, EXECUTIVE DIRECTOR

Senator BENNETT. Our final witness of the day is Ms. Ricky Silberman, the Executive Director of the Office of Compliance. We thank you for your patience. It has been kind of a long morning.

We note, Ms. Silberman, that you are proposing a reduction of 7 percent from your fiscal year 1998 level. That always comes as a pleasant surprise. And we commend you for adjusting your request to reflect actual needs.

We will be happy to hear from you.

Ms. SILBERMAN. Thank you, Mr. Chairman.

At this time I would like to also introduce two of our statutory appointees, who have been here before, and also we have a new General Counsel whom I would like you to meet. Pam Talkin, our Deputy Executive Director for the Senate, you are all familiar with; Jim Stephens, our Deputy Executive Director for the House; and Gary Green is the new General Counsel. And we are delighted to have him on board and to have the benefit of his 27 years in this field. And then, Beth Brown, who works very closely with this committee, is our Administrative Officer.

I am pleased to present our 1999 budget request of \$2.286 million, the 7-percent decrease, which you noticed, from our fiscal year 1998 appropriations.

Senator BENNETT. We always notice decreases.

Ms. SILBERMAN. Well, we tried.

As you know, Congress established the Office of Compliance in 1995. And as a new institution, with neither track record nor even direct model, our first two budget requests were necessarily based on guesstimates. And we did them kind of holding our breath. Happily, we are now able to rely on 2 years' experience with the actual workload and, more importantly, on our analysis and evaluation of what it takes to get the job done efficiently and effectively.

I would call to your attention the two reports for calendar years 1996 and 1997, on employee use of the office, which are attached to the submission. These reports are required by the Congress under 301(h) of the act. And they demonstrate the efficiency and effectiveness of the counseling and mediation process which Congress provided legislative branch employees in the CAA.

COUNSELING AND MEDIATION PROCESSES

In this process, our counselors are always available to give informal advice and information to both employees and employing offices on the procedures of the office and the rights and protections and responsibilities under the act. It is important to note that if an employee goes further in the process and files a formal request for counseling, which is what actually begins the process, these counselors then evaluate the alleged violation, advise the employee

of his or her rights and responsibilities under the CAA, and attempt to facilitate the early resolution of disputes, which is such an important feature of the act.

The fact that the vast majority of employees who contact our office do not initiate formal proceedings is, I believe, testimony to the effectiveness of the counselors' work.

The mediation program has proved similarly effective and efficient. Early on, we decided that the mediation function was best outsourced to recognized, experienced, independent mediators upon whom we could call on an as-needed basis. The mediations which have taken place under that system have a very high rate of settlement. But one of the things that I wanted to bring to your attention is that we can always do better. And to that end, we have identified several factors which we believe create the most favorable climate and environment for settlement.

For instance, we have found that mediation works best when the decisionmakers in employing offices actively participate in all mediating sessions. In this way, the mediator works with the employee and employing office in finding ways to resolve the dispute short of adjudication or litigation. We are, therefore, looking at how to ensure that decisionmakers are present at all mediation sessions conducted under the auspices of the Office of Compliance.

A Senate employee actually said it best in a letter which she wrote the office earlier this year. She wrote, and I quote, that the Office of Compliance counselor had saved her life and sanity. Because of the efforts of our office, she said, her employer had participated in the mediation. The dispute was resolved. And she remains happily and productively on the job.

Mr. Chairman, we have resolved scores of cases. And each case represents the realization of the promise of the CAA. And I can think of no better illustration of the good work of this office.

Before closing, I just want to reiterate the caveat that has been included in each of the office's three budget submissions. Our projections are based on present workload. And that present workload is based on what the CAA has given us to do in terms of the Congress. The instrumentalities have come on on a serial basis. The 1999 budget request takes into account that the Library of Congress and the General Accounting Office are presently covered only under certain provisions of the CAA.

However, the reason I bring this up is that a question has been raised as to whether employees of these instrumentalities have not only the substantive rights conferred under the CAA but also procedural rights, which would mean that we would receive their charges. We have issued a notice of proposed rulemaking so that interested parties can comment on the question.

Whatever the outcome of that rulemaking, should Congress decide—and the Congress is the one that is going to have to do it—that the GAO, the GPO, and/or the Library should fall under the purview of the office more comprehensively than they do at present, we probably will need additional staff and funding. And we will be coming to you at that point.

PREPARED STATEMENT

Mr. Chairman, I thank you for the opportunity to testify here today, and I really want to express my appreciation to Christine Ciccone and to the staff of this committee. Their unfailing assistance has made it possible for us to be able to do the job that we have done. And we appreciate it very much.

[The statement follows:]

PREPARED STATEMENT OF RICKY SILBERMAN

Mr. Chairman and Members of the Subcommittee, I am pleased to present the budget request of the Office of Compliance (Office) for fiscal year 1999. The Office was established as an independent agency within the legislative branch by the Congressional Accountability Act of 1995 (CAA), which generally applies the rights and protections of eleven labor and employment laws to more than 20,000 covered congressional employees and employing offices. The CAA vests authority in the Office to administer and enforce the Act, to establish a confidential, timely and neutral dispute resolution and adjudication process for claims arising under the Act and to provide education and information about the rights and protections provided under the Act.

To carry out these functions, the Office is requesting \$2,286,000 for fiscal year 1999, a 7 percent decrease from the agency's fiscal year 1998 appropriation, with no increase in staff. This budget request is based on the agency's actual expenditures during its first two years of operation. The request includes funding for 19 full-time equivalent positions (FTE's), funding for a 3 percent cost of living increase for salaries, a reduction of 7 percent in personnel benefits, and a 17 percent reduction in other services, primarily for hearing officers, mediators, and court reporting services.

As mandated in the CAA, the Office is, as of January 1, 1998, fully operational. On January 23, 1996, most provisions of the law took effect, covering the House of Representatives, the Senate, the Capitol Guide Service, the Capitol Police, the Congressional Budget Office, the Office of the Architect of the Capitol, the Office of the Attending Physician, the Office of Compliance, and their employees. Additional provisions involving labor management relations went into effect on October 1, 1996, the OSHA and ADA public access provisions on January 1, 1997, and the section relating to safety and health was applied to the Library of Congress (Library) and the General Accounting Office (GAO) on December 30, 1997. The reports on the use of the Office by covered employees during calendar years 1996 and 1997 that were mandated by section 301(h) of the CAA are attached to this submission. These reports document the efficiency and effectiveness of the systems and processes which have been put in place.

As in our prior submissions, this request is based on two assumptions: that the Office of Compliance will remain in its present location in the Library of Congress; and that our caseload will remain at roughly current levels. Additional funding and staffing will be requested should either of these assumptions change. Further, this 1999 budget request takes into account that employees of the Library of Congress and the General Accounting Office will be covered under certain provisions of the CAA in fiscal year 1999. However, should Congress decide that GAO, GPO and/or the Library are to fall under the purview of the Office of Compliance more comprehensively than at present, additional funding and staffing will be required.

OFFICE OF COMPLIANCE'S AUTHORITY AND RESPONSIBILITIES

The Congressional Accountability Act of 1995 established the Office of Compliance as an independent agency in the federal legislative branch. In addition to the five-member Board of Directors who serve on a part-time basis, the CAA establishes four statutory officers: the Executive Director, the Deputy Executive Directors for the House and Senate, and the General Counsel.

Under the CAA, the Office is charged with establishing and administering an alternative dispute resolution process which provides counseling, mediation and adjudicative hearings and appeals for covered legislative branch employees. The CAA requires the Office's Executive Director, subject to Board approval, to adopt rules governing the procedures of the Office, and requires the Board to adopt substantive regulations for implementation of the CAA. The Office is also charged with providing education and information to Members of Congress, other employing offices, and employees of the legislative branch. The Office of the General Counsel is charged with

enforcement of the sections of the CAA dealing with unfair labor practices, safety and health, and disability access. This includes investigation and prosecution of claims under these sections, and periodic inspections to ensure compliance with health and safety, as well as disability access requirements.

DISPUTE RESOLUTION PROCESS

REQUESTS FOR INFORMATION, COUNSELING, AND MEDIATION

The Office provides covered employees in the legislative branch with a neutral, confidential, efficient process for resolving disputes relating to employment rights and protections. Employees and employing offices may, at any time, seek informal advice and information on the procedures of the Office and the rights, protections, and responsibilities afforded under the CAA. The Office responds to all inquiries on a confidential basis, and tracks both the number and the nature of the inquiries.

Before filing a formal complaint alleging a violation under the CAA, employees must request counseling and mediation which is provided under the auspices of the Office of Compliance in a neutral, confidential setting. During the 30-day counseling period, the counselor evaluates the alleged violation, advises the employee of his or her rights and responsibilities under the CAA, and facilitates resolution of the problem. If the counseling does not resolve the employee's concerns, the Office provides neutral, trained mediators to assist the parties in resolving the dispute. The period for mediation is generally 30 days, but may be extended at the request of the parties.

ADJUDICATION

After counseling and mediation, if the dispute remains unresolved, the employee may choose either to pursue the claim through the adjudicative hearing process under the auspices of the Office, or file suit in Federal District Court. An employee who elects the adjudicative procedures of the Office files a formal complaint with the Office. The Executive Director appoints an independent Hearing Officer to consider the case and render a written decision, which may be appealed to the Office's Board of Directors. The Board of Directors issues written decisions, which may then be appealed to the U.S. Court of Appeals for the Federal Circuit. The administrative hearing process offers speedier resolution and confidentiality, while offering the same remedies as civil action.

Accomplishments in fiscal year 1997

Dispute Resolution Process.—Fiscal year 1997 was the first full fiscal year of operation of the Office's alternative dispute resolution process. The vast majority of workplace disputes received by the Office of Compliance are resolved in the first stages of the dispute resolution system prior to adjudication or litigation. During fiscal year 1997, a total of 1,716 calls for information were made to the Office directly, or to the Office's information line. In fiscal year 1997, a total of 165 formal counseling requests were filed, compared to 61 in our first 8 months of operations (in fiscal year 1996). Of the 61 filed in fiscal year 1996, 15 cases were pending in counseling as of October 1, 1996. A total of 158 requests for mediation were received in fiscal year 1997. Of the 184 cases that were either pending in counseling or mediation at the start of the fiscal year, or received as new requests for counseling, many of the cases (i.e., 75) were resolved during, or were not pursued past, this stage of the alternative dispute resolution process. At the end of fiscal year 1997, there were 14 cases in which the mediation period had recently ended and the period for filing a complaint remained open, and 32 cases which remained in mediation.

A total of 12 complaints were pending on October 1, 1996, and 6 new complaints were filed during fiscal year 1997. Six hearing officer decisions were issued on 13 cases; 5 appeals of hearing officer decisions were filed; and 2 Board decisions were issued on 9 cases.

Labor Management Relations.—The Office carries out the Board's investigative authorities under section 220(c)(1) of the CAA, involving issues concerning the appropriateness of units for labor organization representation, the duty to bargain, and exceptions to arbitrators' awards. The Office achieved several additional significant accomplishments related to union representation matters in fiscal year 1997. Four representation petitions were filed, and two pre-election investigatory hearings were held. Based on records developed during the pre-election investigatory hearings, two Board Decisions and Directions of Election were issued. One election agreement was entered into by the parties and approved by the Executive Director on behalf of the Board. Elections were held in all three of these cases, in addition to a runoff election in one of the three. Two cases were pending at the end of fiscal year 1997: a representation petition seeking to organize a unit of approximately 35

employees, and a unit clarification petition seeking to include additional employees in a unit certified in fiscal year 1997.

Plans for fiscal year 1998 and fiscal year 1999

The number of mediations conducted in fiscal year 1998 and fiscal year 1999 is projected to increase from fiscal year 1997. The number of mediation requests received in the last half of fiscal year 1997 was much higher than in the first half. This may indicate a trend which would result in a moderately increased workload in this area. An increase in the number of mediations may also result in a higher number of unresolved disputes. Accordingly, the numbers of complaints and hearings are also projected to increase.

In fiscal year 1998, as collective bargaining agreements are negotiated and as parties begin the bargaining process, disputes may arise as to an employing office's duty to bargain over a proposal. If an employing office declares a proposal non-negotiable, the labor organization may petition the Board for review, and the Board will issue a decision in the matter. After the collective bargaining agreements are in place in fiscal year 1998 or in fiscal year 1999, the Board may be called upon to review arbitrators' awards. Either party to an arbitrator's award can file an exception to the award claiming that the award is deficient under section 220 of the CAA, and the Board will make a determination on the matter.

Additionally, under Section 220 of the CAA, the Board exercises the authorities of the Federal Services Impasses Panel to resolve impasses which may arise in the collective bargaining process in the legislative branch. The Board may exercise that authority in a number of ways: the Board can ask the Executive Director to appoint a mediator; Board members can also act as arbitrators or hold hearings. Since the Board has not yet been called upon to make determinations in these areas, it is difficult to project if additional resources will be required.

INSPECTIONS, TECHNICAL ASSISTANCE, AND INVESTIGATIONS

OCCUPATIONAL SAFETY AND HEALTH

Periodic Inspection.—The CAA requires the General Counsel of the Office of Compliance to inspect facilities in the legislative branch for compliance with safety and health standards at least once each Congress, and report the findings to Congress. The first inspection is taking place during the 105th Congress, a two-year period that runs from January, 1997 through December, 1998.

Approximately 20 million square feet of space are included in the inspection, including the Capitol Power Plant, and numerous carpentry, paint finishing and metal shops. Questionnaires survey the safety and health conditions of more than 1,000 District offices throughout the country. Employing offices are informed of any deficiencies identified, so that hazards can be corrected as soon as possible. As mandated in section 215 of the CAA, the report to Congress will describe the status of compliance with safety and health laws and identify those violations that have not been corrected. Section 215(e)(3) of the CAA requires that citations be issued for violations identified in the inspection that have not yet been corrected by the time the report is submitted.

Requests for Safety and Health Inspections.—On January 1, 1997, the CAA's safety and health provisions became effective, including a provision giving covered employees the right to request inspections of possibly hazardous conditions in work areas. Except for situations involving imminent danger, when a request for an inspection is received, the General Counsel notifies the employing office of the allegation. Employing offices are given the opportunity to resolve the alleged violation and provide the Office of the General Counsel (OGC) with the information necessary for the Office to determine that appropriate action has been taken.

In the event that the employing office responsible for abating a condition that violates an OSHA standard is unable to correct the problem within a specified time, the OGC inspects and issues citations and/or notifications, as appropriate. If, after issuing a citation, the General Counsel determines that a violation has not been corrected, the General Counsel may file a complaint with the Office which is submitted to a hearing officer. If correcting hazardous conditions frequently results in cases going to hearing, additional personnel may be needed for such litigation.

Technical Assistance.—Like OSHA, the OGC has the responsibility for providing compliance assistance to employing offices and covered employees. The OGC also provides interpretations of OSHA standards to employing offices upon request, as well as information about proposed OSHA regulations that affect their operations.

Accomplishments in fiscal year 1997

During fiscal year 1997, virtually all of the non-office space was inspected, including the Capitol Power Plant, off-site warehouses at Blue Plains, Fort Meade, and Alexandria, electrical rooms, and mechanical shops; these are the areas in which most deficiencies would reasonably be expected to be concentrated. In the inspections conducted to date for the 105th Congress, some 50 conditions serious enough to constitute violations of OSHA safety and health standards have been identified. If these hazards are not remedied in a timely fashion, citations will be issued and litigation to enforce the citations could be necessary.

During the last nine months of the fiscal year, the OGC received 15 requests for inspection, and resolved ten of the cases.

During fiscal year 1997, the OGC responded to 72 requests for technical assistance about workplace safety and health concerns, such as the need for respirators to protect against harmful chemical exposures and the need for building evacuation plans. The OGC has also recently prepared information explaining OSHA's proposed new requirements to control the spread of tuberculosis to employing offices, including the Office of the Attending Physician and the Capitol Police.

Plans for fiscal year 1998 and fiscal year 1999

As of January 1, 1998, both the Library of Congress and the General Accounting Office are covered by the safety and health provisions of the CAA. Thus, an additional 5.5 million square feet of space are now required to be in compliance with the safety and health standards, and the number of employees who are covered by the safety and health provisions is increased over 40 percent, from 20,000 to 28,000. For this reason, an additional \$20,000 has been requested for the safety and health consultant, both for conducting the inspections and for providing the technical assistance necessitated by the additional 8,300 covered employees. For example, the OGC plans to assist in the development of programs to reduce occupational injuries in legislative branch agencies that have high lost time injury and illness rates.

If citations and litigation are necessary in cases of noncompliance, the workload of the OGC could necessitate increased funding. This will be addressed in a supplemental request for funding, should it become necessary.

The number of requests for inspections may be higher in fiscal year 1999. In the first five months of fiscal year 1998, nine requests have been received, as compared to the 15 received in the last nine months of fiscal year 1997. In addition, as of January 1, 1998, the 8,300 additional employees of the Library and the GAO have been added to the pool of potential complainants, which will likely result in an increase in requests for inspection. If citations and litigation are necessary in cases of noncompliance, an increased workload for the OGC could necessitate additional staff and/or funding in the future.

PUBLIC SERVICES AND ACCOMMODATIONS UNDER THE AMERICANS WITH DISABILITIES ACT

Inspections.—Pursuant to section 210 of the CAA, the Office of the General Counsel conducts inspections at least once each Congress to determine compliance with the rights and protections against discrimination in the provision of public services and accommodations established by the Americans with Disabilities Act. The inspection cycle is similar to the cycle for the safety and health inspections described above. However, since only public areas, and not those areas used exclusively by employees, are subject to this provision of the CAA, less space is inspected—an estimated 8 million square feet rather than the 20 million feet inspected for safety and health.

Technical Assistance.—The CAA directs the OGC to provide employing offices with technical advice to assist them in complying with disability access requirements. In addition, the OGC routinely answers questions from and provides information to Congressional offices on disability access laws.

Accomplishments in fiscal year 1997

In fiscal year 1997, the OGC received 67 requests for information about disability access requirements. These included questions such as: the wording that should be used in notices for town meetings about accommodations available for individuals with disabilities, the type of auxiliary aids that Congressional offices are required to make available upon request, and whether disability access laws require that District offices in inaccessible buildings relocate.

The OGC also prepared and distributed materials explaining the disability access requirements that typically apply to Congressional offices and the public services and activities they undertake. This information is also published on the Office of Compliance web page (www.compliance.gov).

Plans for fiscal year 1998 and fiscal year 1999

Funding to fulfill the disability access provision of the CAA is expected to remain at roughly its current level in fiscal year 1999, unless CAA coverage is expanded to the Library or GAO. In fiscal year 1997, considerable assistance was received from the Department of Justice and the Access Board. If this assistance were no longer available to the OGC, it is estimated that an additional 150 consulting hours at roughly \$80 per hour would be necessary to fulfill the mandatory functions. This will be addressed in a supplemental request for funding, should it become necessary.

UNFAIR LABOR PRACTICES

The General Counsel is responsible for receiving and investigating allegations of unfair labor practices filed under section 220 of the CAA, and for filing and prosecuting complaints of unfair labor practices with the Office.

Accomplishments in fiscal year 1997

A total of ten charges of unfair labor practices were submitted to the OGC for investigation during the fiscal year. The OGC also received 22 requests for assistance or information about labor-management relations issues covered by section 220.

Plans for fiscal year 1998 and fiscal year 1999

The trend in charge filing indicates that the OGC's unfair labor practice workload will likely increase in fiscal year 1998 and fiscal year 1999. During the first five months of fiscal year 1998, nine charges were submitted, nearly as many as were submitted in all of fiscal year 1997. Additionally, during fiscal year 1997, none of the charges filed proceeded to the complaint and hearing, either because the parties resolved the dispute or because the General Counsel determined after investigation that the evidence was insufficient to warrant the filing of a complaint. Although the policy of encouraging settlement prior to the filing of a complaint is expected to continue, there will most likely be cases in which settlement cannot be achieved. In this event, after the General Counsel files a complaint, the Executive Director will assign a hearing officer to hear the complaint.

EDUCATION AND INFORMATION

Under the CAA, the Office of Compliance provides education and information to Congress, other employing offices of the legislative branch, and covered employees. In order to fulfill its mandate to inform covered employees and employing offices of their rights, protections and responsibilities under the CAA, the education and information program distributes written materials and publications, conducts briefings, maintains a web site on the Internet and provides counseling, referrals, and information to employees and employing offices on an individual basis.

Accomplishments in fiscal year 1997

The first annual report, presenting statistics on the use of the Office of Compliance, was submitted to Congress on October 1, 1997. The report covers the period from January 23, 1996, when the CAA went into effect, to December 31, 1996.

The CAAnews, a newsletter published quarterly and containing updated information on the CAA and the Office of Compliance, was mailed to the residences of 20,000 covered employees throughout the year.

Briefings were presented twice a month by the Office to new Senate employees in order to familiarize them with the CAA and the Office of Compliance. Regularly scheduled monthly briefing were conducted for House employing office senior staff. These briefings have focused on specific areas of the CAA, including Office of Compliance dispute resolution procedures, the mediation process, the Fair Labor Standards Act, and the Family and Medical Leave Act.

The Office of Compliance world wide website disseminates information via the Internet. The website (www.compliance.gov), located on a GPO server and accessible via GPO's Access system, is updated on an ongoing basis. It currently includes the 400 page "Guide to the Congressional Accountability Act" manual, employee rights and protections brochures, regulations promulgated by the Board of Directors, decisions by the Board, and information on ADA public access and accommodations and OSHA compliance.

The Office reference manual, "A Guide to the Congressional Accountability Act", includes summaries of the laws applied by the CAA, question and answer sections for each law, and a complete set of the Office's procedural and substantive rules. Updates to the manual were distributed throughout the year. Two copies of the manual were provided to newly elected members of the 105th Congress, for their Capitol and District offices.

A new rights and protections brochure containing summaries of the three laws applied by the CAA after January 23, 1996 was mailed to all covered employees. On a monthly basis, the Office mailed its two rights and protection brochures to all new covered employees. The Office of Compliance revised procedural rules were published in booklet format. In addition, several Office publications advising employees of their rights and notifying them of upcoming elections were developed, and they were translated into Spanish for one of the union elections held in fiscal year 1997.

An interactive telephone information line directed callers to recorded information (this data was included in the annual report to Congress), or to an Office staff member who discussed claims and provided resource referrals.

Plans for fiscal year 1998 and fiscal year 1999

In fiscal year 1998, for the first time, approximately 8,300 employees of the General Accounting Office and the Library of Congress will be covered under certain sections of the CAA. The Office will prepare, publish and distribute new written materials to meet its congressional mandate to "educate and inform" this specific group of covered employees. Employees will be mailed a separate rights and protections brochure, a special edition of the Guide to the Congressional Accountability Act resource manual will be produced for GAO and the Library, and informational posters will be printed and distributed to GAO and the Library for posting.

The CAAnews, with additional information on the CAA and the Office of Compliance, will continue to be published on a quarterly basis and mailed to covered employees' residences.

The "Guide to the Congressional Accountability Act" manual will be distributed to new members of the 106th Congress and updated as needed. Throughout the year, new employees covered under the CAA will be mailed employee rights and protections brochures.

In fulfilling its statutory responsibilities, the education and information program will continue to update, reprint and distribute existing materials and produce new publications, fact sheets, posters and updates for more than 28,000 covered employees and employing offices (a 40 percent increase in covered employees from fiscal year 1997).

REGULATION WRITING

The CAA requires the Executive Director, subject to Board approval, to adopt rules governing the procedures of the Office. The CAA further requires the Board to adopt, subject to Congressional approval, substantive regulations implementing sections of the CAA that apply rights and protections of the Fair Labor Standards Act, the Family and Medical Leave Act, the Employee Polygraph Protection Act, the Worker Adjustment and Retraining Notification Act, Titles II and III of the Americans with Disabilities Act, the Occupational Safety and Health Act, and the Federal Service Labor-Management Relations Statute.

Accomplishments in fiscal year 1997

The regulations for the implementation of two of the laws made applicable by the CAA, i.e., OSHA and Titles II and III of the ADA, were finalized and adopted by the Board in December, 1996. The Office developed amendments to extend those provisions of its substantive regulations that relate to the CAA sections made applicable to GAO and the Library of Congress, and proposed them in September of 1997. (The Board subsequently adopted these amendments in October, and they are currently awaiting Congressional approval.) Amendments to the procedural rules to include GAO and the Library were also developed, and the Notice of Proposed Rulemaking was signed by the Executive Director on September 30 and published for comment in the Congressional Record on October 1, 1997. As a result of the submission of the Library of Congress, the Office has published a further notice of proposed rulemaking requesting further comment on the issues raised by the Library.

Plans for fiscal year 1998 and fiscal year 1999

The Board's substantive regulations will be periodically reviewed and updated to take into account any amendments made to the executive agency regulations on which the Board's regulations are based. In the first such update, signed on October 31, 1997, the Board adopted amendments to update its regulations implementing section 215 (Occupational Safety and Health).

Further, if Congress amends the CAA to expand the Office's responsibilities with respect to GAO and the Library of Congress, or to give the Office responsibilities with respect to GPO, amendments to the Board's substantive regulations and to the Executive Director's procedural rules will be needed. The nature, extent, and timing

of these amendments would depend on the terms of the statutory amendments by which the Office's expanded responsibilities are established.

STUDIES AND REPORTS

Section 230 of the CAA mandates a study on the application of the rights, protections, and procedures under the eleven employment and labor laws in the CAA to the General Accounting Office, the Government Printing Office, and the Library of Congress and their employees. Section 102(b)(2) of the CAA requires the Board to submit a report to Congress on the applicability to the legislative branch of any employment laws not contained in the CAA, beginning on December 31, 1996, and every two years thereafter.

Sections 210(f)(2) and 215(e)(2) of the CAA require the General Counsel of the Office to submit, at least once every Congress, a report to Congress and the Office of the Architect of the Capitol containing the results of the periodic inspections required by the CAA. This study, discussed in the Inspections, Technical Assistance, and Investigations section above, must also outline the steps necessary to remedy a violation, describe the consequences of each violation, and estimate the cost and time needed to correct the violation.

Accomplishments in fiscal year 1997

The section 102(b) and section 230 studies were submitted to Congress in fiscal year 1997. The Board is conducting an additional study to examine in-depth those sections of the laws applied to the legislative branch by the CAA that were not originally applied in the CAA, and make recommendations, as necessary. This study was begun in fiscal year 1997, and it will be issued prior to December 31, 1998.

Plans for fiscal year 1998 and fiscal year 1999

Section 102(b) requires that the Board submit a report to Congress every two years, on whether and to what degree federal employment and public disability access laws apply to the legislative branch, and whether such laws that do not apply should be made applicable. At a minimum, the December 1998 report will address those federal laws that were enacted or amended since the issuance of the December 1996 report. The Board may also consider whether to focus in-depth on one or several categories of laws that do not now apply to the legislative branch as part of the 1998 or subsequent biennial studies. It may then make recommendations to Congress to apply additional provisions of law to the legislative branch.

The reports required by sections 210(f)(2) and 215(e)(2) of the CAA will be submitted by the General Counsel, at least once every Congress, to Congress and the Office of the Architect of the Capitol; these reports will contain the results of the periodic inspections required by the CAA.

ADMINISTRATIVE AND FINANCIAL IMPROVEMENTS

Accomplishments in fiscal year 1997

The Office developed and distributed to all staff a Financial Directive on procurement procedures that ensures that appropriate checks and balances are maintained on expenditures of appropriated funds, and that such expenditures comply with Financial Acquisition Regulations (FAR). All contracts and contracting procedures were also standardized to comply with the Financial Directive and FAR.

The Executive Director approved the Vision, Goals and Strategies statement prepared by the Legislative Branch Financial Managers Council and endorsed by the House Appropriations Committee in its report on the Legislative Branch Appropriations Bill. Preliminary steps were taken to comply with its tenets, including cross-servicing disbursements and other financial services with the Library. In addition, a five-program budget structure was developed and implemented that facilitates both tracking expenditures and accurately projecting future costs, devised as a first step to eventual compliance with FASAB cost accounting standard 4, i.e., "Managerial Cost Accounting Concepts and Standards for the Federal Government." Finally, in partnership with the Library, an auditable consolidated financial statement is currently being prepared using fiscal year 1997 data.

To prepare for Year 2000 system demands, the Office started to upgrade its equipment and software during fiscal year 1997. Previous equipment had been obtained from the former Office of Technology Assessment, and it was inadequate to make the transition to year 2000 data, and unable to run 32-bit Windows 95 software. The Office procured a new Compaq server for its local area network that is equipped with RADE technology (i.e., technology by which data files are redundantly stored on multiple hard drives) to protect against data loss, and began to replace its 486

computers with pentium computers. The Office's furniture and equipment inventory was completely updated, as well.

The Office also developed and installed external e-mail as well as dial-up connectivity with the Architect of the Capitol. These system enhancements are via stand-alone computer, in order to continue to protect the strict confidentiality required by section 416 of the CAA. The Office of the General Counsel developed its own data entry and database management application for the OSHA and ADA questionnaire data, using Access software.

In order to ensure consistency with statutory timeframes, efficiently manage and report to Congress as mandated, the Office's extensive computerized case-tracking system was completed. This system generated the first report to Congress on the use of the Office by legislative branch employees, as mandated by section 301(h) of the CAA.

Building on the early accomplishments of the Office, several cost-containing measures we initiated in this fiscal year. Printing costs were reduced significantly by having the Office's publications published through contracts negotiated by the Government Printing Office; a group contract rate was negotiated with Westlaw Publications, which significantly reduced the costs anticipated in last year's budget for this purpose; the Office replaced the large Kodak copier we had procured earlier with three small Kodak copiers at no additional expense, facilitating more in-house copying and resulting in considerable savings.

Plans for fiscal year 1998 and fiscal year 1999

The Office has entered into a partnership with the Library of Congress Financial Services Division to prepare a consolidated financial statement for fiscal year 1997. This agreement was included in our Interagency Agreement with the Library for fiscal year 1998, and it is the Office's next step in implementing the Vision, Goals and Strategies of the Legislative Branch Financial Managers Council.

The letter writing capability of the Office's case tracking application will be upgraded in fiscal year 1998 to be compatible with Windows 95 and the new 32-bit Paradox and WordPerfect software. Pentium computers will be procured and installed for staff who have not yet received the Office's upgraded software and hardware, thus ensuring that the Office is prepared for the challenge of the year 2000.

The Office's employee manual will be revised to incorporate additional information, including the Office's flexiplace, travel and e-mail policies and procedures.

AWARDS AND SETTLEMENTS APPROPRIATION

Section 415 of the CAA established "an account of the Office in the Treasury of the United States for the payment of awards and settlements * * * under this Act," and further authorized to be appropriated "such sums as may be necessary to pay such awards and settlements." Section 415 stipulated that awards and settlements under the CAA should only be paid from that account, which is to be separate from the operating expenses account of the Office of Compliance established under section 305 of the CAA. The Executive Director approves all such awards.

The Legislative Branch Appropriations Acts of 1996, 1997, and 1998 have appropriated funds for awards and settlements under the CAA. Section 305 of the fiscal year 1998 appropriation bill contained the following language:

Such sums as may be necessary are appropriated to the account described in subsection (a) of section 415 of Public Law 104-1 to pay awards and settlements as authorized under such subsection.

Awards and settlements are paid by means of a disbursement process designed to safeguard the confidentiality of the settlements and the parties involved. Only one non-Office employee (who has signed a confidentiality agreement) has access to information about claimants.

In fiscal year 1997, a total of \$39,429 was awarded and disbursed under six settlements made under section 415 of the CAA. To date in fiscal year 1998, a total of \$73,700 has been awarded and disbursed under 11 settlements.

OFFICE OF COMPLIANCE'S BUDGET REQUEST FOR FISCAL YEAR 1999

The Office of Compliance's fiscal year 1999 budget request of \$2,286,000 reflects a \$193,000 (-7 percent) decrease from the fiscal year 1998 appropriation of \$2,479,000.

Staffing levels are projected at the same level as in fiscal year 1998. However, additional staff would be required, should Congress decide to expand the coverage of employment and safety laws in the CAA for employees of the General Accounting Office, the Government Printing Office, and the Library of Congress.

Employee benefit ratios for the Office continue to be lower than those experienced by most federal agencies for several reasons. More employees are covered by the FERS retirement system than are covered by CSRS, and neither workers' compensation payments nor payments to retirees have been made to date. For these reasons, \$27,000 less is requested for employee benefits than in fiscal year 1998.

A decrease of \$8,000 is requested for travel in fiscal year 1999 based upon fiscal year 1997 actual expenditures. The request for rent, communication and utilities is \$21,000 less than in fiscal year 1998 as a result of the agreement negotiated with Westlaw Publishing. Virtually all online services Westlaw provides are covered within a group rate under this agreement.

In the fiscal year 1999 request, a total of \$114,150 is requested for mediators, \$19,000 more than the actual fiscal year 1997 expenditures of \$95,150. This request is higher because the number of mediations requested in the last half of fiscal year 1997 was much higher than in the first half, which indicates a trend which is expected to result in an increased workload in this area.

Based on actual expenditures, we are requesting a total of \$90,780 for hearing officers, and \$23,180 for the services of court reporters. Although these costs are slightly higher than the actual costs for fiscal year 1997 of \$75,780 and \$19,200, respectively, they are about half of the fiscal year 1998 budget request for these services. They are projected to increase in response to the trend in requests for mediation discussed above.

The Office is requesting an increase of \$7,000 for supplies primarily for materials needed to fulfill our statutory mandate for education and information. Every report as well as all new and revised regulation must be produced and distributed for all Members of Congress, and other employing offices. As discussed above, provisions of the CAA now apply to 8,300 additional employees of GPO and the Library, all of whom will receive publications as well.

Since its inception, the Office has been located in the Adams building of the Library of Congress. Pursuant to an agreement with the Library, the space was expanded to accommodate our initial operations. On the basis of this occupancy, no additional funding for moving expenses, rent, utilities, or system and phone wiring has been included in this request. If the Office is required to relocate in fiscal year 1999, additional funding will be sought in a supplemental request.

CONCLUSION

In the two years since this Office was established much has been accomplished. As of January 1, 1998, the Office is fully operational, all regulations have been approved by the Board, procedures are established, and all systems are up and running. Whereas in the past we have had to rely largely on conjecture, this year's budget request is based on almost two years of experience with what our actual workload is, and what it costs to do the job efficiently and effectively. The effectiveness of the alternative dispute resolution process that Congress envisioned and set forth in the CAA has now been documented. All of this speaks not only to the good work of the Office, but, more importantly, to the commitment of Congress to the important principles of the Congressional Accountability Act.

OFFICE OF COMPLIANCE SECTION 301(h) REPORT TO CONGRESS—JANUARY 23, 1996–DECEMBER 31, 1996

INTRODUCTION

The Congressional Accountability Act (CAA) generally applies provisions of eleven federal labor and employment laws to over 20,000 covered congressional employees and employing offices. The CAA establishes the Office of Compliance (Office), an independent agency in the legislative branch of government, to administer and enforce the CAA and provide a process for speedy, confidential resolution of workplace disputes. Section 301(h) of the CAA requires that the Office of Compliance:

“* * * compile and publish statistics on the use of the Office by covered employees, including the number and type of contacts made with the Office, on the reason for such contacts, on the number of covered employees who initiated proceedings with the Office under this Act and the result of such proceedings, and on the number of covered employees who filed a complaint, the basis for the complaint, and the action taken on the complaint.”

This first report provides the information for the period from January 23, 1996 through December 31, 1996. Future reports will be issued soon after the end of each calendar year, beginning in January 1998. The report begins with a summary of the authority and responsibilities of the Office of Compliance.

OFFICE OF COMPLIANCE AUTHORITY AND RESPONSIBILITIES

The CAA establishes the Office of Compliance with a Board of five members, who serve on a part-time basis, and four statutory appointees: the Executive Director, Deputy Executive Director for the Senate, Deputy Executive Director for the House, and the General Counsel. The Office is charged with providing alternative dispute resolution procedures, as well as adjudicative hearings and appeals, for covered legislative branch employees and education and information on the CAA to members of Congress, other employing offices, and employees of the legislative branch. The Board is required to adopt substantive regulations for implementation of certain provisions of the CAA. The Executive Director is required to adopt rules governing the procedures of the Office. The Office of the General Counsel enforces the provisions of sections 210 and 215, relating to health and safety and public access requirements, including investigation and prosecution of claims under these sections, and periodic inspections to ensure compliance. Additionally, the General Counsel investigates and prosecutes unfair labor practices under section 220 of the CAA.

The CAA applies the rights and protections of provisions of the following eleven labor and employment statutes to covered employees within the legislative branch: title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, title I of the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, the Family and Medical Leave Act of 1993, the Fair Labor Standards Act of 1938, the Employee Polygraph Protection Act of 1988, the Worker Adjustment and Retraining Notification Act, chapter 43 of title 38 of the U.S. Code (relating to veterans' employment and reemployment), the Americans with Disabilities Act of 1990 relating to public services and accommodations, the Occupational Safety and Health Act of 1970, and chapter 71 of title 5 of the U.S. Code (relating to federal service labor-management relations).

On January 23, 1996, key provisions of the law took effect covering the House of Representatives, the Senate, the Capitol Guide Service, the Capitol Police, the Congressional Budget Office, the Office of the Architect of the Capitol, the Office of the Attending Physician, the Office of Compliance, and their employees. On October 1, 1996, section 220, the labor management section of the CAA took effect, as did the OSHA and ADA sections on January 1, 1997.

USE OF THE OFFICE OF COMPLIANCE

Section 301(h) of the Congressional Accountability Act mandates that the Office of Compliance:

"* * * compile and publish statistics on the use of the Office by covered employees, including the number and type of contacts made with the Office, on the reason for such contacts, on the number of covered employees who initiated proceedings with the Office under this Act and the result of such proceedings, and on the number of covered employees who filed a complaint, the basis for the complaint, and the action taken on the complaint."

The following statistics provide this data on the use of the Office by covered employees from January 23, 1996, when the CAA generally took effect, to December 31, 1996. (Given the statutory time frames, proceedings initiated in 1996 may still be in the dispute resolution process as of December 31, 1996.)

Number and Types of Contacts Received: 1,677

Employees and employing offices may, at any time, seek informal advice and information on the procedures of the Office and the rights, protections, and responsibilities afforded under the CAA. The Office responds to all inquiries on a confidential basis.

1,677 requests for information from covered employees, employing offices, the public, unions, and the press were made by phone and in person from January 23, 1996 to December 31, 1996. Contacts were made by:

Employees	652
Employing offices	603
Public	107
Unions	36
Press	44
Recorded information line	235
Total requests for information	1,677

Reasons for Employee Contacts

652 covered employees contacted the Office asking questions under the following sections:¹

Section	Description	Contacts
201	Rights and protections under title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, and title I of the Americans with Disabilities Act of 1990	112
202	Rights and protections under the Family and Medical Leave Act of 1993	26
203	Rights and protections under the Fair Labor Standards Act of 1938	155
204	Rights and protections under the Employee Polygraph Protection Act of 1988 .....	.....
205	Rights and protections under the Worker Adjustment and Retraining Notification Act ...	73
206	Rights and protections relating to veterans' employment and reemployment	3
207	Prohibition of intimidation or reprisal	8
210	Rights and protections under the Americans with Disabilities Act of 1990 relating to public services and accommodations; procedures for remedy of violations	1
215	Rights and protections under the Occupational Safety and Health Act of 1970; procedures for remedy of violations	4
220	Application of chapter 71 of title 5, United States Code, relating to federal service labor-management relations	13
230	Study and recommendations regarding General Accounting Office, Government Printing Office, and Library of Congress	9
CAA	Questions regarding the general application of the CAA	128

Additionally, the office received 150 questions from employees on matters which were not cognizable under the CAA.

The 652 employee contacts were for information regarding:

Assignments	4
Belo contracts	14
Benefits	1
Compensatory time off	9
Compensation	29
Demotion	8
Discipline	2
Equal pay	1
Evaluation	2
Exemptions under the Fair Labor Standards Act	42
General questions regarding statutory requirements	102
Harassment	14
Hiring	3
Hours of work	28
Inspections	1
Interns	1
Leave	14
Leave eligibility	4
Office operations	1
Overtime pay	32
Promotion	12
Reasonable accommodations	12
Record keeping	4
Recruitment	1
Reinstatement	6
Rulemaking	3
Scheduling	34
Severance	1
Termination	119
Terms and conditions of employment	14
Time-off	1
Requests for written materials	58

¹ Aggregate numbers will not necessarily match totals as a single contact may involve more than one section or subsection of the CAA, and/or more than one issue or alleged violation.

Number of Proceedings Initiated by Covered Employees: 95

Pursuant to title IV of the CAA, the Office of Compliance provides dispute resolution in the form of counseling and mediation. A proceeding under the CAA is initiated by a request for counseling alleging a violation of the CAA.

95 employees from the following offices filed requests for counseling:

The Architect of the Capitol	34
Capitol Guide Service	6
Capitol Police	2
Congressional Budget Office	1
House of Representatives (non-member or committee offices)	39
House of Representatives (member offices)	7
Senate Committee	1
Senate (non-Senator offices)	2
Senator	3

Total employee counseling requests	95
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These 95 requests for counseling alleged violations under the following sections of the Congressional Accountability Act:²

Section	Description	Contacts
201	Rights and protections under title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, and title I of the Americans with Disabilities Act of 1990	82
202	Rights and protections under the Family and Medical Leave Act of 1993	8
203	Rights and protections under the Fair Labor Standards Act of 1938	12
205	Rights and protections under the Worker Adjustment and Retraining Notification Act ...	35
207	Prohibition of intimidation or reprisal	22

Workplace issues raised by the 95 employees requesting counseling fell into the following categories:³

Assignments	7
Compensatory time off	1
Compensation	24
Discipline	13
Fair Labor Standards Act exemptions	2
Harassment	20
Hiring	4
Hours of work	5
Leave	2
Overtime pay	3
Promotion	11
Reasonable accommodation	1
Reassignment	1
Reinstatement	1
Termination	47
Terms and conditions of employment	17

Results of the Proceedings

Counseling.—Of the ninety-five counseling requests received between Jan. 23 and Dec. 31, 1996: twenty-six cases closed during or after counseling with no request for mediation; twenty-nine cases were pending at various stages in the counseling process at the end of 1996; and forty requests for mediation were filed.

Mediation.—Of the forty mediation requests received between Jan. 23 and Dec. 31, 1996: fourteen cases closed during or after mediation (eight cases were formally settled and in six cases, no further action was taken by the covered employee after mediation ended); five cases were in mediation on December 31, 1996; eight cases had completed mediation and were in the time period when a complaint could be filed; and thirteen complaints were filed after mediation.

Complaints and Hearings.—If the dispute remains unresolved after counseling and mediation, an employee may elect to file a civil action in the district courts of

² See footnote 1.

³ See footnote 1.

the United States or to file a complaint with the Office. If a complaint is filed with the Office, a Hearing Officer is appointed to hear the case and issue a decision.

Of the thirteen complaints filed after mediation (between Jan. 23 and Dec. 31, 1996): five hearings were scheduled for twelve cases (8 cases being consolidated for one hearing); and one complaint was pending.

Of the five hearings: four hearings were completed, covering eleven cases, and Hearing Officer decisions were issued in those four hearings; and one hearing was scheduled but not completed as of December 31, 1996.

Basis of Complaints

The thirteen complaints filed involved the following issues: Worker Adjustment and Retraining Notification Act: eleven complaints; alleged sexual harassment, reprisal, and hostile work environment: one complaint; and alleged denial of promotion because of color and religion and discrimination based on gender: one complaint.

Action Taken on Complaints

Any party aggrieved by a Hearing Officer's decision may file a petition for review of the decision by the Board of Directors of the Office.

As of December 31, 1996, of the four Hearing Officer decisions issued: two petitions for review had been filed with the Board; and the appeal period for the other two decisions was still open.

No Board decisions were issued in 1996; to our knowledge, no civil actions were filed in Federal Court in 1996 by covered employees.

OFFICE OF COMPLIANCE SECTION 301(h) REPORT TO CONGRESS—JANUARY 1, 1997— DECEMBER 31, 1997

INTRODUCTION

The Congressional Accountability Act (CAA) generally applies provisions of eleven federal labor and employment laws to over 20,000 covered congressional employees and employing offices. The Office of Compliance (Office), an independent agency in the legislative branch of government, was established in the CAA to administer and enforce the Act and provide a process for the timely and confidential resolution of workplace disputes. Section 301(h) of the CAA requires that the Office of Compliance:

* * * compile and publish statistics on the use of the Office by covered employees, including the number and type of contacts made with the Office, on the reason for such contacts, on the number of covered employees who initiated proceedings with the Office under this Act and results of such proceedings, and on the number of covered employees who filed a complaint, the basis for the complaint, and the action taken on the complaint.

This second annual report provides information for the period from January 1, 1997 through December 31, 1997. The report begins with a summary of the authority and responsibilities of the Office of Compliance.

OFFICE OF COMPLIANCE AUTHORITY AND RESPONSIBILITIES

The CAA establishes the Office of Compliance with a Board of five members, who serve on a part-time basis, and four statutory appointees: the Executive Director, Deputy Executive Director for the Senate, Deputy Executive Director for the House, and the General Counsel. The Office is charged with providing alternative dispute resolution procedures, as well as adjudicative hearings and appeals, for covered legislative branch employees and education and information on the CAA to members of Congress, other employing offices, and employees of the legislative branch. The Board is required to adopt substantive regulations for implementation of certain provisions of the CAA. The Executive Director is required to adopt rules governing the procedures of the Office. The Office of the General Counsel enforces the provisions of sections 210 and 215, relating to health and safety and public access requirements, including investigation and prosecution of claims under these sections, and periodic inspections to ensure compliance. Additionally, the General Counsel investigates and prosecutes unfair labor practices under section 220 of the CAA.

The CAA applies the rights and protections of provisions of the following eleven labor and employment statutes to covered employees within the legislative branch: title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, title I of the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, the Family and Medical Leave Act of 1993, the Fair Labor Standards Act of 1938, the Employee Polygraph Protection Act of 1988, the Worker Adjustment

and Retraining Notification Act, chapter 43 of title 38 of the U.S. Code (relating to veterans' employment and reemployment), the Americans with Disabilities Act of 1990 relating to public services and accommodations, the Occupational Safety and Health Act of 1970, and chapter 71 of title 5 of the U.S. Code (relating to federal service labor-management relations.)

SECOND ANNUAL REPORT—JANUARY 1, 1997—DECEMBER 31, 1997

Number of Contacts Received by the Office of Compliance: 1,439

Employees and employing offices may, at any time, seek informal advice and information on the procedures of the Office and the rights, protections, and responsibilities afforded under the CAA. The Office responds to all inquiries on a confidential basis.

1,439 requests for information from covered employees, employing offices, the public, unions, and the press were made by phone and in person from January 1, 1997 through December 31, 1997. Contacts were as follows:

Employees	501
Employing offices	263
Public	69
Unions	12
Press	11
Recorded information line	583

Reasons for Employee Contacts

501 covered employees contacted the Office asking questions under the following sections: (note: aggregate numbers will not necessarily match category totals as a single contact may involve more than one section or subsection of the CAA, and/or more than one issue or alleged violation).

Section	Description	Contacts
201	Rights and protections under title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, and title I of the Americans with Disabilities Act of 1990	211
202	Rights and protections under the Family and Medical Leave Act of 1993	50
203	Rights and protections under the Fair Labor Standards Act of 1938	105
204	Rights and protections under the Employee Polygraph Protection Act of 1988	1
205	Rights and protections under the Worker Adjustment and Retraining Notification Act ...	1
206	Rights and protections relating to veterans' employment and reemployment .....	.....
207	Prohibition of intimidation or reprisal	14
210	Rights and protections under the Americans with Disabilities Act of 1990 relating to public services and accommodations; procedures for remedy of violations	1
215	Rights and protections under the Occupational Safety and Health Act of 1970; procedures for remedy of violations	4
220	Application of chapter 71 of title 5, United States Code, relating to federal service labor-management relations	29
NA	Questions regarding the general application of the CAA	87
NA	Questions on matters not cognizable under the CAA	11

The 501 employee contacts were for information regarding:

Assignments	11
Belo contracts	4
Benefits	1
Compensatory time off	10
Compensation	13
Demotion	4
Discipline	15
Evaluation	3
Exemptions under the Fair Labor Standards Act	23
General questions regarding statutory requirements	120
Harassment	37
Hiring	28
Hours of work	9
Interns	2

Layoff	1
Leave	50
Leave eligibility	4
Notice posting	1
Overtime pay	30
Promotion	13
Reasonable accommodations	15
Reassignment	5
Recordkeeping	3
Reinstatement	5
Rulemaking	1
Scheduling	10
Termination	44
Terms and conditions of employment	38
Requests for written materials	26

Number of Proceedings Initiated by Covered Employees: 152

Pursuant to title IV of the CAA, the Office of Compliance provides dispute resolution in the form of counseling and mediation. A proceeding under the CAA is initiated by an individual employee's request for counseling alleging a violation of the CAA.¹

152 formal requests for counseling were filed by employees from the following employing offices:

The Architect of the Capitol	77
Capitol Guide Service	
Capitol Police	42
Congressional Budget Office	2
House of Representatives (non-member or committee offices)	8
House of Representatives (member offices)	8
Senate (non-Senator or committee offices)	11
Senate (member offices)	4

These 152 requests for counseling alleged violations under the following sections of the Congressional Accountability Act: (please see note above regarding aggregate numbers).

Section	Description	Contacts
201	Rights and protections under title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, and title I of the Americans with Disabilities Act of 1990	134
202	Rights and protections under the Family and Medical Leave Act of 1993	4
203	Rights and protections under the Fair Labor Standards Act of 1938	30
207	Prohibition of intimidation or reprisal	24

Workplace issues raised by employees requesting counseling under the CAA fell into the following categories: (please see note above regarding aggregate numbers).

Assignments	23
Classification	2
Compensatory time off	1
Compensation	63
Demotion	1
Discipline	10
Harassment	19
Hiring	11
Hours of Work	27
Layoff	1
Leave	5
Overtime Pay	28
Promotion	16
Reasonable accommodations	13
Reinstatement	1
Retirement	1

¹ It should be noted that the alleged unlawful application of a single policy of an employing office may involve multiple individual claims.

Termination	27
Terms and conditions of employment	7

Results of the Proceedings

Counseling.—Of the 152 counseling requests received between January 1, 1997 and December 31, 1997, and the 29 counseling requests pending on January 1, 1997: 13 cases closed during or after counseling, but before mediation—1 was settled and 12 sought no further action; 11 cases were pending at the end of 1997; and 157 requests for mediation were filed.

Mediation.—157 mediation requests were received between January 1, 1997 and December 31, 1997. In addition, on January 1, 1997 there were 5 cases pending in mediation, and 8 cases which had completed mediation and were in the open period for filing a complaint. Of those 170 cases: 139 cases closed during or after mediation (62 cases were settled; in 20 cases, no further action was taken by the covered employee after mediation ended; and 57 civil actions were filed in District Court); 11 cases were pending in mediation on December 31, 1997; 14 cases had completed mediation and were in the time period when a complaint could be filed; and 6 complaints were filed after mediation ended.

Complaints and Hearings.—If the dispute remains unresolved after counseling and mediation, an employee may elect to file a civil action in the district courts of the United States or to file a complaint with the Office. If a complaint is filed with the Office, a Hearing Officer is appointed to hear the case and issue a decision.

Complaints.—6 complaints were filed between January 1, 1997 and December 31, 1997 and 2 complaints were pending on January 1, 1997.

Basis of Complaints.—The complaints filed during 1997 involved the following issues:

- alleged harassment and discrimination in terms and conditions of employment based upon race and religion and in reprisal for opposition to practices made unlawful by the CAA: 2 complaints
- alleged retaliation against an employee for having initiated a proceeding under the CAA: 2 complaints
- alleged discriminatory discharge based on race: 1 complaint
- alleged discriminatory discipline and termination based upon age and race and in reprisal for having taken family and medical leave: 1 complaint.

Action Taken on Complaints.—Any party aggrieved by a Hearing Officer's decision may file a petition for review of the decision by the Board of Directors of the Office.

Hearings.—3 Hearing Officer decisions were issued; 4 cases were settled before the hearings concluded; and 1 complaint was pending with a hearing scheduled for early 1998.

Appeals.—4 petitions for review of Hearing Officer decisions covering 11 cases were filed with the Board (in addition, 2 petitions were pending on January 1, 1997); and 1 Hearing Officer decision was not appealed and became the final decision of the Office.

Board action.—3 Board decisions were issued in 1997 covering 10 cases; and 3 petitions for review of Hearing Officer decisions were pending on December 31, 1997.

Judicial review.—1 petition for review was filed; and no court decision was issued.

Labor-Management Relations

The Office carries out the Board's investigative authorities under section 220 of the CAA, involving issues concerning the appropriateness of bargaining units for labor organization representation, the duty to bargain, and exceptions to arbitrators' awards.

January 1, 1997–December 31, 1997.—3 representation petitions were filed; 1 pre-election investigatory hearing was held; 2 Board decisions and Directions of Election were issued; 1 election agreement was entered into by the parties and approved by the Executive Director on behalf of the Board; 3 elections were conducted and one case required a run-off election. (As a result of the elections, 3 different labor organizations were certified as the bargaining representatives of employees in the three units in which the elections were conducted); and 2 petitions were pending on December 31, 1997: a representation petition filed by a labor organization seeking to represent a unit of approximately 35 employees, and a unit clarification petition seeking to include additional employees in a bargaining unit certified in 1997.

The Office of the General Counsel

The Office of the General Counsel is responsible for matters arising under three sections of the CAA: section 210—Public Services and Accommodations under the Americans with Disabilities Act of 1990; section 215—Occupational Safety and Health Act of 1970; and section 220—unfair labor practices under chapter 71, of title 5, United States Code.

JANUARY 1, 1997–DECEMBER 31, 1997

Section	Description	Requests
Requests for Information and Technical Assistance		
210	Public Services and Accommodations under the Americans with Disabilities Act of 1990	60
215	Occupational Safety and Health Act of 1970	89
220	Unfair labor practices under chapter 71, of title 5, United States Code	23
Total requests		172
Requests for Inspection, Charges Filed with the General Counsel		
210	Cases filed	
	Cases closed	
	Cases pending as of December 31, 1997	
215	Requests for inspection filed	22
	Cases closed	10
	Cases pending as of December 31, 1997	12
220	Unfair labor practices charges filed	18
	Cases closed	10
	Cases pending as of December 31, 1997	8

ADDITIONAL COMMITTEE QUESTIONS

Senator BENNETT. Thank you. I appreciate your courtesy in mentioning that. We appreciate Christine, as well, on this side of the table.

We have some additional questions that we will submit to you for a written response.

Unfortunately, I have another conflict, as well, and I am going to have to move along. But I want to thank you for highlighting your past success and the manner in which you go about your duties. And as one of the strong supporters of the Congressional Accountability Act, I am delighted to have this report that indicates that things are, in fact, working out.

So thank you for your statement. And I look forward to receiving the answers to our questions, which I am sure you will be responsive to.

[The following questions were not asked at the hearing, but were submitted to the office for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Question. In your testimony you state that if you are required to move out of the facilities provided by the Library of Congress, you will need additional funds. Is there talk of the Office moving?

Answer. The Office of Compliance has been located within the Adams Building of the Library of Congress since the Office opened. This arrangement has not been formalized, therefore we make note of it each year in our budget submission. Should we have to move, we have estimated that the cost of rent and utilities for this agency would be approximately \$268,000 per year.

Question. Funds are provided to the Office of Compliance for witness fees and mileage. The Congressional Accountability Act requires that witnesses be paid for fees and mileage. The Office of Compliance has refused to pay witness fees or expenses for Senate witnesses. It has taken the position that it has the discretion whether to pay and has adopted a policy not to pay. Please explain the reason for that policy.

Answer. The Congressional Accountability Act authorizes the expenditure of funds for employing offices to pay for witness fees and allowances. Such funds are not expressly provided to the Office of Compliance for the use of covered employing offices.

In July 1997, the representative of an employing office asked the Office of Compliance to pay for witnesses who were being called to testify by and on behalf of the employing office. An Office of Compliance staff attorney researched the request and prepared the attached memorandum. The memorandum reflects the rationale underlying the Office's decision not to pay fees for witnesses appearing before the Office, whether those witnesses appear on behalf of a covered employee or an employing office.

[The information follows:]

MEMORANDUM

JULY 30, 1997.

To: Ricky Silberman

From: Nicola Goren

Re: Payment of Witness Travel Expenses under Section 305(c) of the CAA

Issues Presented

(1) Is the Office of Compliance (Office) required to pay the travel expenses for covered employees under section 305 of the CAA?

(2) Are former employees "covered employees" under section 305(c) of the CAA?

Background

In the context of a case before a Hearing Officer of the Office of Compliance (Office), the Senate Chief Counsel for Employment (SCCE) decided to call several former employees, including one who currently resides in Arizona, as witnesses. The SCCE called the Office to arrange for payment of travel expenses for those former employees. The Office maintained that those expenses were not the Office's responsibility. The SCCE informed the Office that they had checked with an auditor at the Senate Rules Committee who informed them that no appropriation other than the Office's was available to pay for travel expenses of witnesses in cases before the Office. The SCCE then petitioned the Hearing Officer in the case to order the Office to pay the expenses. The case settled before the issue had to be finally decided.

In light of the legal research and analysis below, section 305(c) should not be read to require the Office to pay for travel expenses of covered employees who serve as witnesses. Moreover, legal precedent and policy arguments dictate against such a reading.

Review and Analysis of the SCCE's Arguments

The SCCE argues that, pursuant to section 305, the Office must pay the travel expenses for the former employees in question.

Section 305(c) of the CAA reads as follows:

WITNESS FEES AND ALLOWANCES.—Except for covered employees, witnesses before a hearing officer Board in any proceeding under this Act other than rulemaking shall be paid the same fee and mileage allowances as are paid subpoenaed witnesses in the courts of the United States. Covered employees who are summoned, or are assigned by their employer, to testify in their official capacity or to produce official records in any proceeding under this Act shall be entitled to travel expenses under subchapter I and section 5751 of chapter 57 of title 5, United States Code.

(The SCCE's petition involves solely the second sentence of this section, with respect to covered employees. The SCCE makes no argument on the issue of who should pay witness fees and expenses for non-covered employees.)

"Covered Employees" Includes Former Employees

The SCCE claims that the former employees in question should be treated as covered employees under the second part of section 305(c), because the CAA defines "covered employees" as including former employees. The SCCE argues that section 101 of the CAA defines covered employees as including former employees, "[e]xcept as otherwise specifically provided in this Act." The SCCE notes further that nothing in section 305 specifically provides that the term "covered employee" is to be interpreted differently than throughout the rest of the CAA.

Although ordinarily this argument would prevail, here the context of section 305(c) requires a different reading of the statute. The first sentence of section 305(c), by its terms, applies to non covered employees, and entitles them to witness fees and travel expenses when called as witnesses before a Hearing Officer or the Board. The second sentence of the section applies to covered employees, and entitles them only to travel expenses under title 5, United States Code, in connection with their appearance as witnesses in any proceeding under the CAA. Title 5, United States

Code, covers rights and protections of federal employees. The difference in treatment between employees and non employees stems from the fact that, under 5 U.S.C. § 5537, government employees, including most legislative branch employees, may not receive fees for "service as a witness on behalf of the United States or the District of Columbia." The prohibition stems from the prohibition against being on two government payrolls simultaneously. Thus, government employees called as witnesses as part of their official duties cannot accept a witness fee for their participation—only travel expenses. On the other hand, non government employees are entitled to a witness fee as well as travel expenses. The drafters of section 305(c) could not have intended that "covered employees" be read to include former employees in this context, entitling individuals no longer on the legislative branch's payroll only to travel expenses, and not the witness fee that ordinary non-government employees earn as witnesses.

Section 305 does not require the Office expenses

If one assumes that the individuals in question are covered employees under section 305(c), who is authorized and/or required to pay their expenses as witnesses? As indicated above, the second sentence of section 305(c) states that "[c]overed employees who are summoned, or are assigned by their employer, to testify in their official capacity or to produce official records in any proceeding under this Act shall be entitled to travel expenses under subchapter I and section 5751 of chapter 57 of title 5 of the United States Code." The CAA, itself, is silent as to who bears fiscal responsibility for those expenses. Section 5751 of title 5, United States Code, however, provides the answer to this question.

5 U.S.C. § 5751 and appropriations law

Section 5751 of title 5, United States Code, entitles employees summoned, or assigned by their agency, "to testify or produce official records on behalf of the United States," to travel expenses under subchapter I of title 5. Section 5751 then specifies the following:

If the case involves the activity in connection with which [the employee] is employed, the travel expenses are paid from the appropriation otherwise available for travel expenses of the employee * * *. If the case does not involve its activity, the employing agency may advance or pay the travel expenses of the employee, and later obtain reimbursement from the agency properly chargeable with the travel expenses.

This section clearly indicates the following: if an employee is called as a witness to testify in his official capacity in a case in which the employing office is being sued (or is suing), the employing office would be responsible for that employee's travel expenses. However, if, for example, an employee of an agency is called to testify in his official capacity in a case brought by the Department of Justice against a private sector company, perhaps as an expert witness, the Department of Justice ultimately would be responsible for the travel expenses, although the employing agency would be authorized to pay the expenses and then obtain reimbursement from the Department of Justice. Consequently, either the employing office, or the office responsible for the legal action, may have to pay the expenses. However, in no event is the court, or other venue, required to pay them.

This reading of the statute is supported by several Comptroller General opinions interpreting 5 U.S.C. § 5751, as well as the Department of Justice's regulations issued pursuant to that section. In 23 Comp. Gen. 47, 49 (1943), the Comptroller General held that "the employing agency is required to pay * * * the traveling expenses incurred by the witness * * * where the information or facts ascertained by the employee as part of his official duties forms the basis of the case * * *." In 39 Comp. Gen. 1, 2 (1959), the Comptroller General determined that if an employee testifies to facts and information he or she acquires in the course of his or her assigned duties, the employing agency is responsible for the payment of that employee's travel expenses. (Both these cases are cited in 28 C.F.R. § 21.2(d)(1) supporting the Department of Justice's interpretation that these expenses are payable by the employing agency.)

In 66 Comp. Gen. 269 (1990), the Comptroller General held that "the statutory provision in 5 U.S.C. § 5751, authorizing reimbursement of travel expenses of government employees called as witnesses * * * [is] applicable to discrimination hearings before an Administrative Judge of the Equal Employment Opportunity Commission (EEOC)." In that case, a current employee of the Department of Veterans Affairs (VA) was summoned to testify at the EEOC regarding his official duties at his former agency, the Coast Guard. The VA contended that the Coast Guard should pay the travel expenses for the employee. The Coast Guard argued that either the

EEOC (the venue for the proceeding) or the other party to the case should pay for travel expenses. The Comptroller General held that the Coast Guard, the employing office whose activity was at issue in the case, was ultimately responsible for paying the travel expenses for the employee but that the VA could pay them initially to avoid disrupting the process and then obtain reimbursement from the Coast Guard. The EEOC was never considered as a potential payor of these expenses.

In short, the CAA specifically cites 5 U.S.C. §5751 as the applicable standard for payment of travel expenses. That section and Comptroller General precedent establish that the employing office must pay the travel expenses for their employees summoned as witnesses to testify before a Hearing Officer at the Office. In this case, the Capitol Guide Board should ultimately be responsible for paying these expenses, as it is the employing office whose activity is in question here and in connection with whom the employee would be testifying in his or her official capacity.

The Office's appropriation is not the only available appropriation

The SCCE contends that neither it, nor any other Senate office, has authority to pay for these travel expenses. This is erroneous.

First, as discussed above, the cases interpreting 5 U.S.C. §5751 indicate that travel expenses for an employee testifying in this type of situation are to be paid out of the employing office's appropriation for official employee travel. Virtually every employing office in the legislative branch, including the Capitol Guide Board and the SCCE, is authorized to spend funds on official employee travel.

Second, the U.S. Senate Handbook specifically authorizes the payment of legal expenses (which would include travel expenses for witnesses) by Senate offices. See p. 11–30.

Section 305 authorizes expenditures by the Office as well as other expenditures in connection with activities under the CAA

The SCCE contends that section 305 authorizes expenditures by the Office and thus requires the Office to pay witness travel expenses as well, by virtue of section 305(c). This is erroneous.

Section 305 is entitled “Expenses” and not “Expenses to Be Paid by the Office”. The drafters clearly did not intend section 305 only to cover expenses to be paid by the Office. Each subsection of section 305 authorizes specific expenditures and indicates what appropriation is available to pay for them. Subsection 305(a) authorizes appropriations for the Office's expenses. Subsection 305(b) authorizes the Office to contract for goods and services pursuant to the same authorization as agencies in 31 U.S.C. 1535 and 1536. This subsection specifically states that this is an expense of the Office and, thus, expenses would be paid out of the Office's appropriation for expenses. Subsection 305(c) authorizes expenditures to be made for witness fees and expenses for non-covered employees, as well as witness expenses for covered employees pursuant to the same authorization as in 5 U.S.C. 5751, which, as discussed above, specifies that the employing office is to be responsible for these expenses. Further, nowhere in that subsection is there any indication that this is to be an expense of the Office.

Office Policy Concerns

The SCCE's contention that the Office should be responsible for paying travel expenses for covered employees called as witnesses raises several important concerns.

First, the sentence entitling covered employees to payment for travel expenses incurred when serving as witnesses does not limit the entitlement only to cases before the Office. The section entitles covered employees to travel expenses “in any proceeding under this Act.” If one accepts the SCCE's position that the Office is to pay for these expenses, this would require the Office to pay for travel expenses for covered employees testifying in court, when the Office is no longer even involved in the case in any capacity. The drafters could not have intended such a result.

Second, shifting the responsibility for payment of these expenses to the Office would essentially remove any check on the employing office's ability or need to call witnesses. The employing office would be free to call as many witnesses as it liked, without having to be accountable for the cost. This would put the Office in the untenable position of having to subsidize unlimited numbers of witnesses from a very limited appropriation, and would potentially tie up the system with innumerable witnesses. The drafters could not have intended this result either.

Third, reading the statute as requiring the Office to pay the travel expenses of witnesses would necessarily include covered employees called as witnesses by both the employee and the employing office. Again, this could potentially subject the Office to enormous unforeseeable expenditures.

Finally, if the statute, or the appropriations act, is amended to require the Office to assume responsibility for these expenses, this may result in the Office being re-

sponsible for witness fees and expenses for non-covered employees under the first sentence of section 305(c) too—which clearly was not intended in the CAA.

Conclusion

The law and policy concerns require that the Office not be held responsible for payment of travel expenses for covered employees called as witnesses in proceedings under the CAA. The employing office, as well as the SCCE, have authorization and the responsibility to pay these expenses in this case. If the purpose of the CAA is for Congress to be treated like private sector employers, the statute cannot be read to require the Office to pay travel expenses for witnesses: private sector (and other public sector) employers do not enjoy that benefit.

SETTLEMENTS AND AWARDS

Question. Under the Congressional Accountability Act, funds are provided for the payment of settlements and awards. It is this committee's understanding that there have been instances when the Office of Compliance has refused to pay all costs associated with a settlement agreement. For instance, fees associated with training required as part of the settlement agreement. Please explain the Office of Compliance's policy in this regard.

Answer. Section 415(a) of the Congressional Accountability Act provides for the establishment of an Office of Compliance account for the payment of awards and settlements. Settlements requiring any expenditure of funds from that account must be approved by the Executive Director under section 414 of the CAA. Under the terms of various settlements approved over the past two years, covered employees have received payment of back pay and attorney's fees from the account. Such payments were made only when the parties to the approved settlement specifically agreed to the precise amounts to be expended for those purposes.

In addition to the payment of awards or fees, employing offices often agree, as part of a settlement, to undertake other efforts and obligations in the workplace in order to amicably resolve disputes and comply with the CAA. For example, employing offices have agreed to provide training, revise personnel policies and manuals, re-evaluate and reconsider employees, and issue guidance and memoranda to staff. Such activities often involve some personnel or budgetary expenditures for employing offices. In one instance, an employing office agreed to provide sensitivity training to a disabled employee's co-workers. Several months after the matter was settled, the employing office submitted an "invoice" to the Office of Compliance requesting payment to the consultant the employing office had retained to conduct the training. The attached letter to the employing office's representative from this Office's General Counsel (redacted to protect the confidentiality of the matter and the parties) reflects this Office's policy with respect to the payment of costs associated with complying with the CAA, as opposed to payment from the awards and settlements account for specified, agreed upon amounts to individuals and/or their attorneys.

OFFICE OF COMPLIANCE,
Washington, DC, February 11, 1998.

JEAN M. MANNING, ESQ.
Senate Chief Counsel for Employment, Office of the Secretary,
Washington, DC.

DEAR MS. MANNING: Ms. Silberman has forwarded your February 5 letter to me for response. In that letter, you note that [deleted] agreed, as a condition of the July 1997 Settlement Agreement herein, to conduct one or more training seminars for all [deleted] employees regarding subjects specified in the Agreement. Your letter contains an invoice from the consultant retained by [deleted] for this purpose, and requests that the Office of Compliance arrange for payment of this invoice by the Treasury of the United States, pursuant to Section 415(a) of the Congressional Accountability Act, 2 U.S.C. Sec. 1415(a).

Your request is hereby denied. While your letter asserts that Congress approved such funds " * * * to pay settlement expenses * * * ", the CAA expressly limited the use of such appropriated funds to the payment " * * * of awards and settlements under this Act." To interpret the language of 415(a) as your letter does seems impermissibly to expand upon the reach of the Act.

On the other hand, Section 415(b) expressly authorizes certain "expenses" of employing offices " * * * which are needed to comply with this Act." The funds to pay the training program invoice therefore appear to be authorized pursuant to Section 415(b) for the employing office to pay. Indeed, it may well be that the parties to the Agreement had this in mind when they agreed that the "Employer shall * * * conduct one or more training seminars * * * " (Agreement, Sec. 2.7),

especially since the Agreement provides, in Section 6.4, that “each party shall bear his/its own costs, expenses and attorneys’ fees * * *.”

Sincerely,

GARY GREEN,
General Counsel.

SUBCOMMITTEE RECESS

Senator BENNETT. The subcommittee stands in recess.

Ms. SILBERMAN. Thank you very much.

[Whereupon, at 11:53 a.m., Thursday, March 12, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1999

THURSDAY, MARCH 19, 1998

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9 a.m., in room SD-116, Dirksen Senate Office Building, Hon. Robert F. Bennett (chairman) presiding.
Present: Senators Bennett and Dorgan.

ARCHITECT OF THE CAPITOL

STATEMENT OF ALAN M. HANTMAN, AIA, ARCHITECT OF THE CAPITOL
ACCOMPANIED BY:

STUART PREGNALL, BUDGET OFFICER
HERBERT M. FRANKLIN, ADMINISTRATIVE ASSISTANT
LARRY STOFFEL, SUPERINTENDENT, SENATE OFFICE BUILDINGS
AMITA POOLE, SUPERVISING ENGINEER, CAPITOL BUILDING

OPENING STATEMENT OF HON. ROBERT F. BENNETT

Senator BENNETT. This is the last of our subcommittee hearings on the fiscal year 1999 budget, and this morning we will hear from the Architect of the Capitol, the General Accounting Office, and the Government Printing Office.

It will come as no surprise that I will be talking about the year 2000 problem. I think each agency knows in advance, and is prepared to address it.

Before we begin I will note that the American Bar Association has provided testimony to be included in the record in support of funding for the Law Library of Congress. If there is no objection, it will be included at the end of the Library of Congress hearing.

Now, our first witness this morning is the Honorable Alan Hantman, Architect of the Capitol.

Mr. HANTMAN. Good morning.

Senator BENNETT. We are grateful to have you here, sir. We thank you for your efforts. You have been here, what—

Mr. HANTMAN. One year.

Senator BENNETT [continuing]. One year, and it has been a long year in some ways, but you have done an excellent job. We appreciate your willingness to listen to the concerns of this committee, and become personally involved.

The good news that I will share with you publicly, is that GAO has given us an analysis of all of the agencies under the Legislative Branch Subcommittee's jurisdiction with respect to the year 2000,

and the Office of the Architect of the Capitol comes out on top as the best prepared.

You started the earliest, and have the best plan in place, as well as some contingency plans, and we are delighted to note that, and appropriately issue thanks to you for it.

Senator Dorgan, do you have any—

Senator DORGAN. Mr. Chairman, I do want to make a comment when the GAO comes before us, and it is relative to the selection of the Comptroller General. You know my frustration with that process.

Senator BENNETT. Which I share.

Senator DORGAN. I may have a suggestion or two, but we will talk about that in the future, because I do not want to take up a great deal of time. At this time, I look forward to the testimony of the Architect of the Capitol, Mr. Hantman.

Senator BENNETT. Yes.

AGENCY OVERVIEW

Senator BENNETT. Mr. Hantman.

Mr. HANTMAN. Good morning, Mr. Chairman, I am pleased to come before the subcommittee again.

May I introduce, please, Stuart Pregnall, our Budget Officer; Larry Stoffel, our Superintendent, Supervising Engineer for the Senate office buildings; and we have some of our other staff to answer specific questions that you may have.

As you are aware, I have been immersed in learning and evaluating the complexities of this agency, while also initiating concrete action in response to Congress' imperatives to find cost-effective quality service in support of its day-to-day activities.

I have heard Congress' mandate loud and clear, and I have focused in on rebuilding this agency into a unified and flexible, responsive, and quality-oriented instrument of the Congress.

With that philosophy of openness and shedding daylight on our operations, I have presented a two-part presentation, one basically to give a kind of a state-of-the-agency overview; some issues that are not quantifiable in purely budget terms, but they are important, I believe, to hear; and then we will get into the budget area itself.

If I need to talk more quickly, please let me know, Mr. Chairman.

Senator BENNETT. You are doing fine.

Mr. HANTMAN. Thank you.

With respect to last year's budget, we were given some \$33 million by this committee last year to deal with capital projects. We have initiated the planning, drawings, contracts, and construction work for that \$33 million, some \$4 million in design at this point in time, \$12 million under contract for construction, some \$16 million in project development.

Also, we have completed construction documents for renovation of the U.S. Botanic Garden Conservatory, and this project is now being advertised for bidding, and we have better than 20 bidders at this point in time.

We expect to award that in June of this year, as well as the contiguous privately funded National Garden, which is in the process, and will also follow shortly.

Another significant project is the rehabilitation of the U.S. Capitol dome. Initial portions of the study for necessary renovations of the dome have been completed, while others are still in process.

I would like to thank you Mr. Chairman and Senator Dorgan for supporting the inclusion of this project in the emergency supplemental bill.

As you know, the \$7.5 million will perform the complex task of removing lead-based paint in the interstitial space between the inner and outer domes, and after study, repainting of the metal. This will permit the necessary detailed inspection of all cast iron elements to clearly define the total scope of the work for subsequent phases.

On the operations side, we have initiated programs to select and begin the introduction of a computer-aided facility management system to track and coordinate, record, and evaluate work management costs and staffing data throughout the campus, as well as to provide enhanced space management capabilities.

We have also improved communications between this agency and our oversight entities, our clients, and other arms of the Congress, something which clearly is an ongoing process.

We have upgraded our internal administrative systems, as you pointed out, Mr. Chairman, for the year 2000 fix. We have initiated an agencywide strategic planning process, reorganized our central staff to better support the work of all of our jurisdictions.

And we are rebuilding our human resources management division to fulfill the imperatives of the AOC Human Resources Act, and the Congressional Accountability Act. We have also created task forces to investigate alternative means of providing more cost-effective quality services in many areas of the agency.

Mr. Chairman, I believe it is important to know the philosophical underpinnings of these efforts, the foundation we are building on, because there is no quick fix to the solution for rebuilding and re-engineering business practices in this agency.

STRATEGIC PLANNING

Through our strategic planning process we are building an organization that will be able not only to support the day-to-day workings of both Houses of the Congress, but one that will go on performing its duties long after all of us in this room are gone.

Our new vision statement, which is the first board over here, basically talks about our philosophy, our vision.

ARCHITECT OF THE CAPITOL VISION STATEMENT

We will be an innovative and efficient team dedicated to service excellence and to preserving, maintaining, and enhancing the national treasures entrusted to our care.

CORE VALUES

Service Excellence
Stewardship
Integrity
Professionalism

Creativity
Loyalty
Respect and Diversity
Teamwork

It states that "We will be an innovative and efficient team, dedicated to service excellence, to preserving, maintaining, and enhancing the national treasures entrusted to our care."

We also have a set of core values that go along with this, service excellence, stewardship, integrity, professionalism, creativity, loyalty, respect and diversity, and teamwork.

Mr. Chairman, change is necessary to ensure that this agency makes these values and this vision part of our corporate culture, so that all staff members truly make them the foundation of how we work, the basis for how we do business.

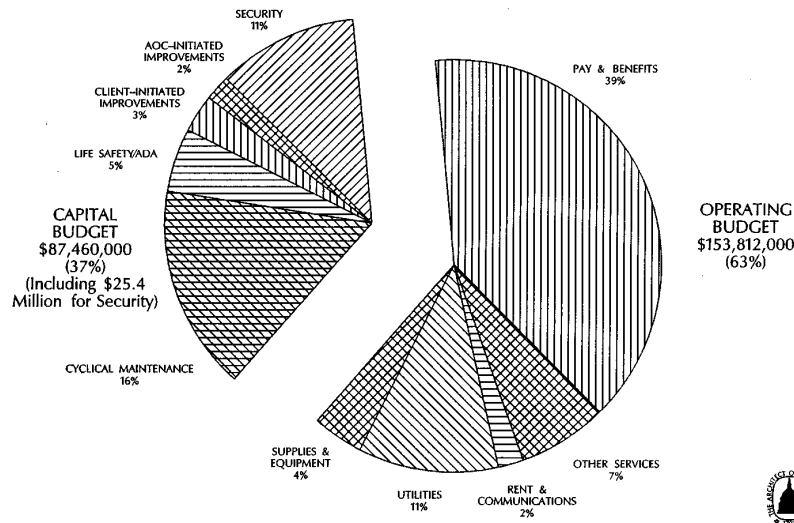
This agency is undergoing an intensive review of its operations, with the goal of continuously refining and improving the quality of our services to Congress and to our visitors. As part of this review we are investigating how to keep costs down, and most efficiently deliver our services in fulfillment of our fiduciary responsibilities to the American taxpayer.

If any of these initiatives involve staffing reductions, it is our recommendation that this agency be authorized to implement early-out and buyout programs for affected employees. As you are aware, this was a successful program that we used with the Senate restaurants this year, and we should actually be in the black by \$200,000 this year and \$600,000 next year, instead of a consistent loss.

FISCAL YEAR 1999 OPERATING AND CAPITAL BUDGET

I would like to turn now, if I can, specifically to our budget for fiscal year 1999. Our first board shows the operating and capital budgets by categories, on the left side, the capital budget of \$87.5 million, which we will talk about in a little while. I would like to start off with the operating budget of \$153.8 million.

ARCHITECT OF THE CAPITOL
FY 1999 OPERATING & CAPITAL BUDGET BY CATEGORIES



This is basically a 5.8-percent increase over last year. It would basically be 5 percent, if we did not have an election move cycle included in the costs right now, and about two-thirds of the costs here, the increase, is due to COLA's, mandated pay, and benefits increases.

We also have some 6 percent in there for an agencywide uniform program. I am not sure if we have any of our staff in here with our uniforms. It has been a very successful program, and we are hoping to extend that throughout the campus to instill a sense of pride, organization, and quality service from all of our people, and recognition of who is providing those services.

On our next chart, let us talk a little bit about our FTE employee budget.

Architect of the Capitol full-time equivalent employment budget	
[16.4 percent reduction from 1992-99]	
Fiscal year	FTE's
1992	2,407
1993	2,383
1994	2,347
1995	2,311
1996	2,151
1997	2,034
1998	2,012
1999	2,012

FTE EMPLOYMENT

This indicates that there has been a 16.4-percent reduction in FTE count from 1992, to date, a very significant decrease, and

many very positive reengineering efforts have been achieved to continue providing quality service to the House and the Senate in a responsible manner, shop consolidations to reduce supervisors, crosstraining, so that air-conditioning system people on the second and third shifts can also do electrical and plumbing work, and not have overtime for lots of other people as well.

This chart represents a maximum number of FTE's for fiscal year 1999. If we can, let us go to our next chart.

ARCHITECT OF THE CAPITOL FISCAL YEAR 1999 OPERATING AND CAPITAL BUDGET							
[In millions of dollars]							
	Fiscal year—						
	1993	1994	1995	1996	1997	1998	1999
Capital	32.8	23.6	27.9	17.3	47.9	33.9	62.1
Operating	137.0	141.3	148.3	141.1	139.0	145.4	153.8
Subtotal	169.8	164.9	176.2	158.4	186.9	179.3	215.9
Security							25.4
Total	169.8	164.9	176.2	158.4	186.9	179.3	241.3

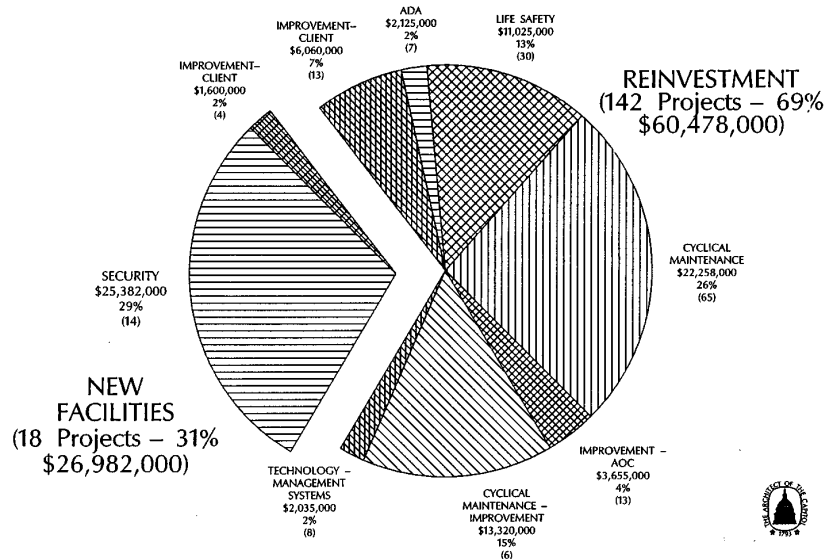
OPERATING AND CAPITAL BUDGET

This chart basically deals with our operating and capital budget, and shows that operations costs have been relatively level over the past 6 years. Most of the inflationary costs, utility increases, COLA's, et cetera, have been absorbed through decrease in work level forces.

The more significant changes have occurred in the capital side of the budget. In fiscal year 1999, a major component of the increase is shown for some \$25 million in security-related projects.

Let us take a look at the breakdown on the capital side requests.

ARCHITECT OF THE CAPITOL FY 1999 CAPITAL REQUESTS BY CATEGORY



CAPITAL PROJECTS

It is broken down into two basic areas. On the left side we see new facilities, some 18 projects, representing \$26.9 million.

A part of this, of course, is the proposed Capitol square perimeter security project, accounting for some \$20 million of these costs. I, as a member of the Capitol Police Board, would like to thank you, Mr. Chairman and Senator Dorgan, for your support of this project in the supplemental bill.

The larger portion of the pie chart represents some 142 reinvestment projects, worth some \$60.4 million, from which also we can subtract the \$7.5 million for the Capitol dome, which, again, is part of the supplemental now.

All of these areas are broken down by ADA, life safety, capital projects, cyclical maintenance projects, technology and management, and we can review each one of them with you relative to its merits, and they have been structured this way so that we can take a look at priorities. The requested increase in the capital projects portion of the budget is very significant, but the magnitude of the total for reinvestment cyclical maintenance projects is very much in line, Mr. Chairman, with the benchmark analysis we discussed last year with you.

That analysis indicated that a campus-like complex of this age, monumental quality and magnitude, could expect to conservatively expend approximately 1.7 percent of the replacement value of the buildings and infrastructure.

This is the same chart we talked about last year, and at that time, Mr. Chairman, you asked us to verify that relative to other major Federal projects.

<i>Architect of the Capitol benchmark data</i>	
[Fiscal year 1999 funding levels]	
Current Facility Replacement Value	<u>\$3,600,000,000</u>
	<i>Annual renewal percentage</i>
AOC Benchmark (Based on Universities of Illinois, Michigan, and Stanford and the Army Corps of Engineers)	1.7
Army Corps of Engineers (Budget Objective)	1.75
University Federal Research Cost Recovery (OMB A-21)	2.0
Conservative Commercial Depreciation at 40 Years (IRS will accept a faster depreciation rate)	2.5
National Research Council of the Academy of Sciences:	
Low Range	1.5
High Range	3.0
Fiscal year 1999 Capital Request (Request \$60,478,000 Less \$27,000,000 Security and Additional Facilities)	1.7

REINVESTMENT BENCHMARK

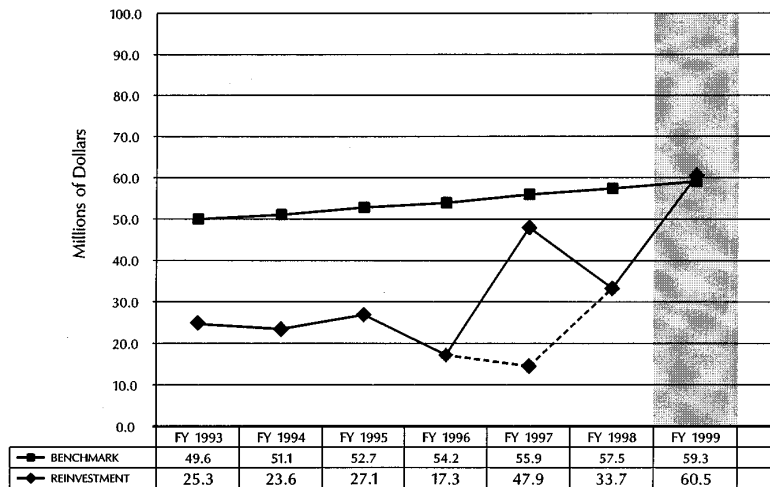
We, in fact, checked out the Ronald Reagan International Trade Center, and if we would have used the type of benchmarks for cost of data approved for their project, this cost would be, rather than \$3.6 billion for the appraised value, more like \$4 billion.

We also took a look at GSA standards and measured them relative to the different quality of spaces they use for their courthouses, et cetera, and that cost would be in the range of \$3.1 billion.

So we are very comfortable with the concept of \$3.6 billion as a base number, and the 1.7 percent basically, as we discussed last year, we also feel very comfortable with that number.

The next chart basically updates last year's presentation, and plots the 1.7 percent reinvestment benchmark against actual reinvestment, from 1993 to 1998, and it adds in the 1999 request for cyclical maintenance.

ARCHITECT OF THE CAPITOL
CYCLICAL MAINTENANCE AND BUILDING RENOVATIONS
(Excludes New Facilities & Security)



CYCLICAL MAINTENANCE REINVESTMENT

It shows that the 1.7 percent in 1993 equated to \$49.6 million, and escalated at 3 percent per year, to \$57.5 million in 1998.

This totaled some \$321 million in potential need for reinvestment for this period, but the red line plots actual reinvestment, from some \$25.3 million, down to \$14.5 million in 1997, including the \$33.5 million for the Botanic Garden, that brought it to \$47.9 million.

In 1998, it shows an increase from \$14.5 million to \$33.7 million, which this committee allocated, reversing the downward trend in recognition of the very real need to be responsible stewards of these national treasures.

I think it is important to note, however, that the total reinvestment made in the Capitol complex between 1993 and 1998 amounts to just under \$175 million, some 54 percent of the \$321 million benchmarked for that period.

The approximate \$150 million difference between the benchmark and the actual expenditures accounts for the pent-up need for so many long deferred projects to finally be funded.

I believe that we would be in a lot worse shape, Mr. Chairman, if the day-to-day maintenance efforts by Larry Stoffel and our staff had not helped to extend the life expectancy of building systems and components way beyond what could reasonably be expected.

As this chart shows, our 1999 request for reinvestment funding of \$60.5 million is within 2 percent of the \$59.3 million benchmark. Each project must, of course, stand on its own merits and needs, but the overall magnitude is in line. We stand ready to discuss the validity of the projects at your convenience. The next chart basi-

cally breaks it down into the areas of life safety, ADA, security, et cetera.

ARCHITECT OF THE CAPITOL FISCAL YEAR 1999 BUDGET REQUEST BY CATEGORY								
Category	Fiscal year 1999 request	Per- cent	No. of projects	Per- cent	Excluding House office buildings			
					Fiscal year 1999 request	Per- cent	No. of projects	Per- cent
Life safety	\$11,025,000	12.6	30	18.8	\$7,796,000	10.4	23	17.8
ADA	2,125,000	2.4	7	4.4	1,725,000	2.3	6	4.7
Security	25,382,000	29.0	14	8.8	25,382,000	34.0	14	10.9
Cyclical maintenance/improve- ment	13,320,000	15.2	6	3.8	11,670,000	15.6	4	3.1
Cyclical maintenance	22,258,000	25.4	65	40.6	15,958,000	21.4	49	38.0
Technology/management sys- tems	2,035,000	2.3	8	5.0	2,035,000	2.7	8	6.2
Improvement:								
AOC	3,655,000	4.2	13	8.1	3,480,000	4.7	11	8.5
Client	7,660,000	8.8	17	10.6	6,658,000	8.9	14	10.9
Total	87,460,000	100.0	160	100.0	74,704,000	100.0	129	100.0

PREPARED STATEMENT

I readily acknowledge that the amount requested is large and understand the pressures to achieve a balanced Federal budget in fiscal year 1999. As you are well aware, however, Mr. Chairman, the need for these projects do not go away, since they are needed to maintain our aging infrastructure.

I would be more than happy, Mr. Chairman, to address any questions, comments, whatever.

[The statement follows:]

PREPARED STATEMENT OF ALAN M. HANTMAN, AIA

GENERAL INTRODUCTION AND EXECUTIVE SUMMARY

Mr. Chairman, I am pleased to once again appear before this Committee to present the budget for the Architect of the Capitol, one year, one month and sixteen days after I officially assumed my duties on February 3rd of 1997. As you are aware, I have been immersed in learning and evaluating the complexities of this agency, while also initiating concrete action in response to Congress' imperative to provide cost effective, quality service in support of its day to day activities. I heard Congress' mandate "loud and clear" and have focused in on rebuilding this agency into a unified, yet flexible, responsive and quality oriented instrument of the Congress. A brief summary of actions to date includes:

Capital Projects.—Initiating the planning, drawings, contracts and construction for work on the \$33 million of capital projects funded in fiscal year 1998 such as: —\$3 million in projects under contract for design: Senate Legislative Garage; Capitol Dome; and Dirksen Building Telecommunications and Fire Sprinkler —\$12 million in projects under contract for construction: Jefferson Building Roof and Elevator Modernization —\$18 million in project development: Power Plant East Chiller Replacement and ADA Improvements

Also, we have completed construction documents for renovation of the U.S. Botanic Garden Conservatory, and this project is now being advertised for bid. The contiguous privately funded National Garden is in process and will follow shortly. Another significant project is the rehabilitation of the U.S. Capitol Dome. Initial portions of the study for necessary renovations of the Dome have been completed while others are still in process. This fiscal year 1999 budget recommends allocating \$7.5 million to perform the complex task of removing lead-based paint in the interstitial space between the inner and outer domes, and, after study, repainting the

metal. This will permit the necessary detailed inspection of all cast iron elements to clearly define the scope of work for subsequent phases.

Operations, Personnel Policies and Procedures.—On the operations side we have initiated programs to:

- Select and begin the introduction of a computer aided facility management system (CAFM) to track, coordinate, record and evaluate work management cost and staffing data throughout the campus, as well as to provide enhanced space management capabilities
- Improve communications between the agency and our oversight entities, our clients, and other arms of Congress
- Upgrade internal administrative systems to achieve a Year 2000 fix for our procurement, financial and inventory operations
- Initiate an agency wide strategic planning process
- Facilitate initiatives with the Senate Sergeant at Arms, the Secretary of the Senate, as well as their counterparts on the House side, and the Capitol Police, to coordinate services, and eliminate overlapping functions
- Reorganize Central Staff to better support the work of all of our jurisdictions
- Rebuild our Human Resources Management Division
- Create task forces to investigate alternative means of providing more cost effective and quality services in many areas of the agency
- Develop standardized policies and procedures for use by all AOC jurisdictions across the campus
- Provide management training programs for managers at all levels, as well as developing training opportunities to further enhance the trade and professional skills of our employees.

Vision and Goals

I believe, Mr. Chairman, that it is important for the Congress to know the philosophical underpinnings of these efforts, the foundation we are building upon, because there is no “quick fix” solution to what is needed in rebuilding and re-engineering business practices in this agency. Through our strategic planning process, we are building an organization that will be able not only to support the day to day workings of both houses of the Congress in an equitable and professional manner, but one that will go on performing its duties long after all of us in this room are gone. It is important for us to build not only for today but also for the future—not only in our capital and maintenance projects, but also to build the proper team to perform the necessary day to day functions and services of this agency. This would include developing the proper mix of in house staff, vendors, indefinite quantity service contracts, and temporary employees to be called upon as work load necessitates. Our new Vision Statement commits us to this: “We will be an innovative and efficient team dedicated to service excellence and to preserving, maintaining, and enhancing the national treasures entrusted to our care.”

Our ongoing strategic planning process also produced a set of core values that we will use to guide us in our planning and our day to day activities: Service Excellence; Stewardship; Integrity; Professionalism; Creativity; Loyalty; Respect; Diversity; and Teamwork.

Congressionally Mandated Changes

Change is necessary to assure that this agency makes these values and the vision part of our “corporate culture” so that all staff members truly make them the foundation of our work, the basis for how we do business. Many issues were identified and mandated for change in the Architect of the Capitol Human Resources Act, and in the Congressional Accountability Act. These include the requirement to develop human resources management programs consistent with the practices common among other federal and private sector organizations. In response, this agency has begun initiatives to:

- more clearly define job descriptions and job expectations so that everyone will know the requirements to successfully perform their jobs.
- create a viable job performance and evaluation system so that constructive feedback can be given to improve performance where necessary, and to recognize and acknowledge those who provide quality service and work towards the achievement of our vision and goals.
- assure that uniform and fair standards are developed, implemented and used throughout the Agency to the greatest extent possible with respect to working conditions, job postings, upward mobility, etc.
- create a viable equal employment and conciliatory programs function that can fairly and efficiently address employee concerns in line with the Congressional Accountability Act.

—provide training opportunities to further enhance the trade and professional skills of our employees, including helping supervisors better communicate with, and monitor the work of, those who report to them.

These initiatives are all in process and are part of the foundation that this Agency is being rebuilt on. The Congressional Accountability Act also created the Office of Compliance with the powers to monitor compliance with the intent of the Act, and also granted the employees of this agency, among others on Capitol Hill, the right to form unions. As you are aware, at this point AFSCME Council 26 has been designated to represent over 600 of our custodial and labor employees, and we are in the process of working with the union on a range of issues.

Review and Evaluation Methodology

In order to address these realities and comply with these laws, this Agency is undergoing an intensive review of all of its operations with the goal of continuously refining and improving the quality of our services to Congress and our visitors to Capitol Hill, while at the same time responding to the imperatives of the laws discussed above. As part of this review we are investigating how to keep costs down and most efficiently deliver our services in fulfillment of our fiduciary responsibilities to the American Taxpayer.

This is in line with House recommendations over the past two years regarding future restructuring of the Office of the Architect of the Capitol, which discussed looking for sensible ways to streamline the Architect's operation and logical areas in which to involve the private sector. Specifically, consideration of the private sector was suggested for routine maintenance and remedial work, in addition to the major AOC projects for which this is now routinely done. Our on-going investigation therefore includes in-depth evaluations of: Logical areas in which to involve the private sector; internal opportunities to re-engineer and consolidate existing staff; and opportunities to eliminate duplication of services with other arms of the House and Senate.

If any of these initiatives result in staffing reductions, it is our recommendation that this agency be authorized to implement early out and buy out programs for affected employees. There are three basic components to this review and evaluation: Impartial peer group benchmarking for best business practices; Intra-Agency information gathering and assessment; and customer feedback.

These will be discussed in more detail under Goals and Processes for Sensible Agency Re-engineering.

Fiscal Year 1999 Budget Overview

I would like to briefly address our fiscal year 1999 budget request. The Operating Budget requested for fiscal year 1999, \$153,812,000, represents a 5.8 percent increase in operating costs, two-thirds of which are due to mandated pay and benefits costs, 12 percent to election move cycle costs, and 6 percent to an agency-wide uniform program based on the pilot program currently underway in the Senate. Cost savings will be achieved through re-engineering efforts planned in fiscal year 1998 and implemented in fiscal year 1999, and will be reflected in savings in subsequent budgets.

The requested increase in the Capital Projects portion of the budget is significant, but the magnitude of the total for cyclical maintenance projects is very much in line with the benchmark analysis discussed last year. That analysis indicated that a "campus-like" complex of this age, monumental quality and magnitude could expect to expend annually approximately 1.7 percent of the replacement value of the buildings and infrastructure. Based upon an estimated replacement value of \$3.6 billion, 1.7 percent would equate to a target reinvestment level of \$59.3 million with 3 percent escalation to fiscal year 1999. Each project must of course stand on its own, but the overall magnitude of our request of \$60.5 million, correlates directly with the 1.7 percent benchmark of \$59.3 million and we stand ready to discuss the validity of each of the 228 projects at your convenience. They have been categorized into Life Safety, Security, etc., for the purpose of analysis and decision making.

There have been unanticipated project cost increases included in this request, such as the Capitol Square Perimeter Security Improvements. Further, the ongoing study of the necessary repairs and repainting of the Capitol Dome has led to the conclusion that this project also has increased in complexity, scope, and therefore, cost. These two projects alone account for \$27.5 million of the fiscal year 1999 budget request. The overall budget request is discussed in detail below.

I would like at this point to thank you, Mr. Chairman, and the members and staff of this Committee for providing your support and input during this process. The dialogue that we began last year has continued unabated and I believe that together we have created a foundation of communication and commitment to efficient quality

service that has already begun to show positive results. I look forward to working with you and this Committee in the coming year.

ROLE OF THE OFFICE OF THE ARCHITECT OF THE CAPITOL

Mr. Chairman, I would like to take a brief moment to describe broadly the role of the agency before I describe our fiscal year 1999 budget request and the changes that I see on the horizon. By law, the Office of the Architect of the Capitol (AOC) is the agency responsible for the structural and mechanical care, maintenance, cleaning, and operation of the buildings and facilities supporting the Congress, including the Capitol Power Plant. This responsibility extends to the Botanic Garden, the structural and mechanical care and maintenance of the Library of Congress Buildings and Grounds, as well as the Supreme Court Building and grounds. The office also undertakes the design and construction of new facilities and the alteration of existing facilities.

Over the past year, this agency has focused significant energy on its first strategic planning process. The first steps of this process involved seeking and considering guidance from this Committee as well as our other oversight bodies, and have led to the development of a vision of how we should proceed to structure our organization to deliver quality services to the Congress. The next steps in this process include developing specific action plans to achieve our stated goals. A guiding philosophy in this strategic planning process includes the need to be responsive to our oversight bodies.

In performing our mission, the AOC utilizes staff and consultant architectural, engineering and professional expertise to provide the Congress with appropriate, timely and cost effective recommendations. The AOC also manages trade and service personnel who are charged with ensuring that the building systems operate efficiently and reliably in support of Congressional activities. The AOC also administers a wide variety of contracts for facility maintenance, professional design, technical and other services.

Critical to achieving this mission is the institutional knowledge that has accrued in the agency. The value of the long term role of the Architect as an advocate for the physical environment was recognized by the Congress when it established a ten year renewable term for the Architect. Such an advocacy role is no less appropriate for the core professional and trades staff. The merit of maintaining a long-term view for preserving and protecting the historical environment is self-evident. To the credit of the agency, Congressional activities have never been interrupted by failure of any major building system. I might add parenthetically at this time that I have learned in the past year that institutional knowledge does in fact run deeply in this agency. In a sensitive operation such as ours, those who provide the services are our greatest asset in carrying out our mission to the Congress. Any re-engineering efforts we undertake should recognize the devotion and service of our employees to the agency over many years and treat them in a considered, caring and humane manner.

It goes without saying that many of the Congressional buildings are national treasures and require intimate knowledge and significant planning for their preservation. The U.S. Capitol, which is "the people's building," for example, is a unique combination of National capitol, museum, office building, meeting center, ceremonial site, and tourist attraction. The building's systems are required to support all of these activities, and its architectural design, decorative arts and historical significance must all be carefully considered before undertaking any work or implementing any changes to the building.

Another benefit of the neutral, bicameral role of the AOC is the ability to provide technical and professional coordination of "joint" activities. Over the years, the role of the office has broadened as a result. There are now functions and activities, such as the shuttle service and telecommunications, as well as Inaugural and Rotunda ceremonies, conducted or supported by the AOC, that are often not recognized as being within the scope of the office's professional, architectural and engineering roles, yet the Congress has acknowledged the merit of the AOC's neutral, bicameral coordination capacity.

For over 200 years, an officer discharging the role of the Architect of the Capitol has provided to the Congress credible expertise on these matters. During this time, the ongoing and ever-changing institution of the Congress has been served by an agency that has responded to changing Congressional needs, and will continue to do so.

FISCAL YEAR 1999 OPERATING BUDGET

Last year's appropriations request was based on a comprehensive agency-wide planning and coordination process including all cyclical maintenance projects and building system enhancements. The thorough, systematic and programmed analysis led to a proposed five-year capital budget based on that planning. At the House Subcommittee on Legislative Branch Appropriations direction, I evaluated the five-year capital budget and especially the projects requested for fiscal year 1998 to determine if the previous effort was valid and the resulting request realistic. I did so, personally evaluating each of the 205 projects in the five year plan. I also re-prioritized the request, re-defining them into categories such as Life Safety, Security, Cyclical Maintenance, Technology and Management Systems, etc. This is the same approach I have taken this year and I will now discuss our fiscal year 1999 budget request in detail. There are two major components to this budget request: an Operating Budget and a Capital Budget, as described below. The total budget that I bring to this Committee today amounts to \$241,272,000, comprised of \$153,812,000 for operating costs and \$87,460,000 for capital costs.

Increases in the costs that comprise the operating budget totaling \$153,812,000—that is, those costs that support operations and maintenance, including salaries, are relatively small, 5.8 percent overall. If the one time election year costs totaling \$1,000,000 for all activities are reduced from the operating request for fiscal year 1999, the increase amounts to approximately five percent. The operating budget also reflects several years of gradual declines in real dollars appropriated for operating the Capitol complex. Although there are several small increases requested for various operating allotments, the majority have been continued at the current funding level without adjusting them for inflation. Of our 170 annual allotment lines in this request, which include personnel compensation and benefits, 95 lines or 56 percent were either reduced or are unchanged from the current fiscal year.

There are opportunities for savings within our operations budget, some of which will require modest investments to achieve, and others which we are proceeding with at this time. Under the overall category of "utilities," we are confident that investing in modern automated control systems at the Power Plant will lead to more efficient use of fuels, and eliminate the need for staff that presently manually monitor the heating and cooling equipment. Additionally, we are nearly complete with the installation of energy efficient lighting fixtures across the campus. These lighting fixtures are already saving electrical energy. But the true savings will not be realized until after the contractor is reimbursed for the installation cost. Clearly the largest portion of our operating budget is invested in our budget for salaries and benefits, and that is where the greatest opportunity for savings lies. I will have more to say about the operating budget and describe how we are exploring specific options that may lead us to achieve greater efficiency and cost effectiveness later in my testimony.

The requested increase for fiscal year 1999 falls into several categories. Nearly two-thirds of the requested operating increase is due to mandated pay costs and the government's share of benefits costs. Nearly twelve percent of the requested operating budget increase relates to the one time election move cycle costs: these occur every other year to meet the need to house Senators and other staff based on room assignments arising out of the elections. An agency-wide uniform program is being proposed based on the pilot program now underway in the Senate, and this accounts for six percent of the requested increase.

The following table indicates these increases by appropriation.

Base costs	Fiscal year 1998 budget		Fiscal year 1999 request		Change	
	FTE	Amount	FTE	Amount	FTE	Amount
Capitol Buildings: Operating Budget	388	\$29,977,000	388	\$33,165,000	.....	+\$3,188,000
Capitol Grounds: Operating Budget	75	4,966,000	75	5,313,000	.....	+ 347,000
Senate Office Buildings: Operating Budget	609	37,063,000	609	38,831,000	.....	+ 1,768,000
House Office Buildings: Operating Budget	649	28,906,000	649	31,042,000	.....	+ 2,136,000
Capitol Power Plant: Operating Budget	97	32,382,000	97	32,627,000	.....	+ 245,000
Library Buildings and Grounds: Operating Budget	144	9,063,000	144	9,665,000	.....	+ 602,000
Botanic Garden: Operating Budget	50	3,016,000	50	3,169,000	.....	+ 153,000
Total	2,012	145,373,000	2,012	153,812,000	.....	+ 8,439,000

FISCAL YEAR 1999 FIVE YEAR CAPITAL BUDGET

The fiscal year 1999 capital budget request I present to you today flows from the first five-year capital budget presented last year by this agency. It is grounded in a comprehensive and systematic agency-wide planning effort with in-depth involvement by all of the agency's clients. On the Senate side we included the Sergeant at Arms and the Secretary of the Senate. On the House side, we included the Sergeant at Arms, the Chief Administrative Officer and the Clerk of the House. The U.S. Capitol Police provided a detailed outline of their needs, and the Librarian of Congress was also extensively involved. A total of 228 capital projects have been identified for the five year period.

As discussed last year, there is a need to provide the Congress with such a five-year capital improvement budget to assist the Congress in making the wisest and best informed financial judgments based on a formal evaluation of future cost implications and with the assurance that we have undertaken a rigorous examination of related needs.

The projects included in this budget, therefore, reflect all the needs that have been identified to date. We reviewed all of the projects that were requested and not funded last fiscal year to determine if they should be included in this year's request. We also closely examined all those projects that, based on last year's plan, had been projected for this fiscal year's request to make sure that their inclusion was also still valid. As stated above, also included are several significant new projects that were not even envisioned last year. We have adjusted the out years accordingly and I will continue to evaluate these needs and to update them to ensure that the capital budget is responsive to budgetary issues, programmatic changes, the condition of the buildings and their systems, and any other needs that may arise.

At last year's hearing, we discussed the potential of a future "balloon payment" that might result from the accumulated costs of deferred maintenance. I indicated that based on several infrastructure reinvestment models we were targeting approximately 1.7 percent of the replacement value as an order of magnitude funding level for the Capitol complex. Last year that figure amounted to roughly \$52 million, which was in line with the \$52,151,000 that we had requested for reinvestment. The actual funding that was approved totaled \$33,872,000, thus leaving a reinvestment funding gap of \$20,279,000. Once that figure is adjusted for the Botanic Garden Conservatory request of \$8,300,000, which was provided for in the fiscal year 1997 emergency supplemental, the reinvestment gap reduced to \$11,979,000. We have reinitiated our request for \$8,235,000 of these projects in the fiscal year 1999 request.

The capital budget that is being presented today is part of a multi-year funding plan that provides the Congress a clear view of what it will cost to maintain the Legislative Branch infrastructure in proper operating condition. The capital budget also identifies improvements that respond to new legally imposed standards and guidelines, such as improvements to meet the requirements of the Americans with Disabilities Act and the Occupational Safety and Health Act. There are also several projects that will enhance the operations of the Congress, as well as new projects requested by our clients to serve their programmatic needs. Balancing the needs of maintaining the existing infrastructure while keeping pace with technological enhancements and program needs is clearly costly and it is sometimes difficult to spread these costs out over time in order to avoid significant peaks in the budgeting process. But I firmly believe that deferring these infrastructure reinvestment costs in the short to mid term can ultimately lead to far greater costs in the future. We are all also aware of the effect that technological pressures can have on aging building systems, especially from the perspective of being capable of delivering new telecommunications technologies.

As discussed above, these projects have been categorized into similar types of projects that reflect various initiatives that we are now faced with. These include categories such as Life Safety, ADA, Security, Cyclical Maintenance, Improvement, and Technology—Management Systems. When a particular project category has been requested to meet specific client needs, the category will note "client." When a particular project category has been initiated by this office, it is noted "AOC." A more detailed explanation of these categories follows.

Life Safety.—These are programs essential for complying with the Occupational Safety and Health Act, environmental and hazardous material protection, fire code compliance, and other regulatory matters affecting the general health and welfare of building occupants. The Congressional Accountability Act has placed significant emphasis on ensuring that the Capitol complex is free of hazards to the Senators, Members, staff and visitors.

ADA.—These are programs essential for complying with the Americans with Disabilities Act of 1990. Passage of the Congressional Accountability Act has reinforced

the resolve to ensure that the Capitol complex is free of barriers to the Members, Senators, staff and visitors.

Security.—These are programs to meet the needs created by increased terrorist activity throughout the world. As a result there is a heightened sensitivity toward threats to security at the Capitol complex. In addition there are security needs to protect property such as the collections at the Library of Congress.

Cyclical Maintenance.—Several of the buildings in the Capitol complex are reaching an age and condition that necessitate major renovation or replacement of building systems. Various improvements are recommended to assure that these building systems continue to provide service to occupants.

Improvement.—Technology is changing far more rapidly than our existing building infrastructures can support and adapt to. This is especially true in the rapidly expanding area of telecommunications, but there is a corollary effect that is felt in any building system that uses any sort of electronic technology for operation or support. These are programs that reflect either the replacement of existing building systems to generate a significant operational improvement or benefit, or the installation of a new type of technology or system to create such an improvement or benefit.

Technology—Management Systems.—These are programs that reflect the internal (AOC) use of computer applications and telecommunications systems to improve the efficiency and effectiveness of operations.

It is important to note that over \$34 million of the nearly \$87 million requested in fiscal year 1999 is for capital projects related directly to client requests, i.e., \$4,022,000 for the Library of Congress and \$23,745,000 for the U.S. Capitol Police. In fact two major costs account for 30 percent of the budget: the Perimeter Security Project (\$20 million)—and the first year major increment for the Capitol Dome Project (\$7.5 million), which is based on the part of the ongoing project studies that has been completed to date.

The fiscal year 1999 budget request for the Architect of the Capitol also has been prioritized as directed by the House and Senate Committees on Appropriations. I have sub-divided the former three-tiered system further to give greater detail to the Committees for their decision-making. The requested items now are identified by the following priority levels: 1–A, 1–B, 1–C, and 2–A, 2–B, and so on through 3–C at the lowest end of the priority scale.

Both the categories and priorities will assist the Committee in its decision-making process. Clearly this request is large, and I am aware of the overall budgetary constraints and the realities of additional funding beyond modest increases. I want to assure the Committee that we will work with you and provide our best recommendations as the budget review process proceeds.

It is also important to recognize that these requirements do not simply disappear if deferred. If projects requested for fiscal year 1999 are deferred, the costs to accomplish them will rise due to added deterioration, increased maintenance costs to sustain the systems in the interim, inflation, and fluctuations in market conditions. The deferred projects also will then add to the fiscal year 2000 funding need much as the 1998 deferred projects are adding to this budget.

In last year's testimony, I detailed many of the reasons that there was such a large increase in the funding level required for the maintenance of our campus infrastructure. Rather than repeat those reasons verbatim, I will highlight them here:

Replacement of Aging Building Systems.—Several of the buildings in the Capitol complex are reaching an age and condition that require major renovation or replacement of building systems.

Technological Advances.—Technology, especially in telecommunications, is changing far more rapidly than our existing building infrastructures can support and adapt to.

Regulatory Compliance Requirements.—Programs essential for complying with the Americans with Disabilities Act, the Occupational Safety and Health Act, security, and environmental and hazardous material protection have received very high priority in terms of advancing the timetables for completion due largely to passage of the Congressional Accountability Act.

Security.—Terrorist activity throughout the world has increased, and as a result there is a heightened sensitivity toward threats to security at the Capitol complex.

Infrastructure Reinvestment.—Replacement Value—We have developed an annual investment rate of 1.7 percent of the replacement value of the Capitol complex as an order of magnitude guide for capital funding levels. In comparison, the fiscal year 1999 request related to existing facilities of \$60.5 million is right on target.

The following table summarizes the funding levels presented in the five-year capital budget by category. Again, these categories include Life Safety, ADA, Security, Cyclical Maintenance requirements, Technology and Management Systems, and infrastructure Improvements. These five year projections will be reviewed, modified

and updated each year as new information becomes available through detailed studies and evolving needs and priorities.

FIVE YEAR CAPITAL PROJECTIONS

Category	Fiscal year—					Five year total
	1999	2000	2001	2002	2003	
Life Safety	\$11,025,000	\$9,734,000	\$10,848,000	\$2,247,000	\$400,000	\$34,254,000
ADA	2,125,000	1,545,000	1,225,000	1,225,000	1,225,000	7,345,000
Security	25,382,000	3,095,000	6,905,000	500,000	.....	35,882,000
Cyclical Maintenance-Improvement	13,320,000	12,220,000	12,220,000	2,450,000	2,225,000	42,435,000
Cyclical Maintenance	22,258,000	31,655,000	23,065,000	14,372,000	13,012,000	104,362,000
Technology/Management Systems	2,035,000	2,210,000	840,000	840,000	391,000	6,316,000
Improvement—AOC	3,655,000	7,536,000	10,560,000	6,470,000	2,180,000	30,401,000
Improvement—Client	7,660,000	43,941,000	27,850,000	34,800,000	5,000,000	119,251,000
Total	87,460,000	111,936,000	93,513,000	62,904,000	24,433,000	380,246,000

Mr. Chairman, I also wish to point out that this budget was prepared with the intent of requesting planning and design funding well in advance of large renovation and construction project such as upgrading the cable television system, roof fall protection, optimization of the chilled water distribution system, and window replacement in the Capitol Building. Only design funding is requested for these large capital projects in fiscal year 1999 in order to prepare detailed designs and firm cost estimates for justifying appropriations requests for construction in later years.

The following table indicates the capital budget increases for fiscal year 1999.

Capital projects	Fiscal year 1998 budget	Fiscal year 1999 request	Change	Major projects
Capitol Buildings: Capital Budget—49 projects	\$7,000,000	\$22,177,000	+ \$15,177,000	Capitol Dome, Ph. 1—\$7,500,000; Design, Senate Chamber—\$1,500,000; Upgrade Cable TV System—\$1,000,000; Infrastructure for Security Installation—\$1,000,000.
Capitol Grounds: Capital Budget—10 projects	150,000	21,310,000	+ 21,160,000	Perimeter Security—\$20,000,000.
Senate Office Buildings: Capital Budget—28 projects	14,958,000	16,925,000	+ 1,967,000	NA.
House Office Buildings: Capital Budget—31 projects	7,704,000	12,756,000	+ 5,052,000	Replace LHOB Roof 6th and 7th Fl.—\$3,200,000; Sprinklers and Telecommunications, RHOB—\$2,564,000; Electrical and Telecommunications, CHOB—\$1,200,000; and Garage Floor Repairs, CHOB—\$1,000,000.
Capitol Power Plant: Capital Budget—10 projects	1,550,000	7,752,000	+ 6,202,000	East Plant Chiller Replacement—\$5,000,000; and Optimization of CPP Operations—\$2,000,000.
Library Buildings and Grounds: Capital Budget—30 projects	2,510,000	6,474,000	+ 3,964,000	Additional Security Readers—\$652,000; Exterior Security—\$600,000; HVAC Improvements—\$600,000; Design Screening Facility—\$500,000; and Design Copyright Facility—\$500,000.
Botanic Garden: Capital Budget—2 projects .....	.....	66,000	+ 66,000	NA.
Subtotal	33,872,000	87,460,000	+ 53,588,000	
Less Perimeter Security .....	.....	— 20,000,000	— 20,000,000	
Total	33,872,000	67,460,000	+ 33,588,000	

NA: Not available.

Mr. Chairman, I should point out that there is one project that is specifically not included in this capital budget request, and that is the Capitol Visitors Center. At this point, as you are aware, legislation has not yet been approved that would permit us to proceed with this project.

I assure you that I will continue to work closely with you and the Committee to review these requests to achieve a rational and adequate funding level to support the needs of Congress.

STRATEGIC BUSINESS PLANNING EFFORT: GOALS AND PROCESSES FOR SENSIBLE AGENCY REENGINEERING

Clearly one of the greatest challenges facing this agency has been to respond to the question of how to determine the appropriate resource levels necessary to meet our customers' needs. How many FTE should we have and what funding level is needed to maintain and operate the Capitol complex? In terms of FTE levels, it should be noted that over the past six years we have cut FTE by over 16 percent. It is necessary to determine if this means we are as "lean and mean" as we can get, or are there areas where we should see further re-engineering? Conversely, are there areas where we have cut too far? What funding levels are necessary to meet customer demands in a timely manner, and how well are we doing at providing quality service? In order to find answers to these questions we began a thorough re-examination of our agency through a management-wide strategic planning process. A second major aspect of this process has been to strengthen lines of clear and open communications between this agency and other support agencies as well as key Committees and staff. A third aspect of this process has been to begin implementation of necessary modern and efficient business procedures and systems to bring this agency into the 21st century.

Over the past year, we have addressed these concerns at every level, and I would like to describe in some detail the results of our efforts thus far. In order to make reasoned and balanced recommendations to Congress I initiated a review and evaluation of three basic sources of information, each of which is required in order to develop a balanced profile of how the agency should be constituted and what policies and recommendations should be formulated. The first source of information was to speak with every individual within the agency. I met personally with every key manager, and scheduled "town hall" type of meetings with all other members of the agency. I sought to hear what every AOC person thought about the present status of the agency and what the future direction of the agency should be. I encouraged communication, in private if necessary, on areas where staff were aware or suspicious or fraudulent, wasteful or abusive actions, and I also encouraged open expression of their views of how the agency's policies, procedures and management level respected employee rights and promoted a productive and positive workplace.

The second source of information was through meeting with Members and their staffs to see how well we were performing in terms of customer satisfaction. I also opened dialogues with my fellow Senate and House officers, including the Senate Sergeant at Arms and the Secretary of the Senate, seeking areas where we might together improve service delivery, or align our missions and structures more logically to eliminate duplicative efforts. Finally, the third source of information was to continue reviewing and analyzing outside impartial resource information. I have broadened the scope of our preliminary peer group benchmarking analyses to include virtually all maintenance and technical functions. To carry out this peer group benchmarking, we have embarked on a series of interviews with major corporations, building management and trade research organizations, and government agencies to see how we compare in terms of organizational philosophy, the relative mix of in-house and outsourced functions, the use of computerized facility management systems, and the types of maintenance and operations standards and performance metrics they use. I will provide for the Record a compilation of all the government, and private sector organizations we have consulted with to date. Benchmarking and information gathering efforts will continue and be constantly updated.

Over the past year, I have been reviewing and evaluating our operations, especially as they relate to quality service delivery, efficiency and who delivers each service. The process has involved a task force composed of the Superintendents of the Senate and House Office Buildings, and the Capitol Building, as well as the other jurisdictional areas within the agency. What I found was that significant re-engineering has already occurred throughout many areas of our jurisdiction. Some general examples include:

- Changing tours of duties to accommodate reduced FTE's and still respond to Congressional needs

- A consolidation of shops within both the Senate and House office buildings allowed for a reduced number of supervisors
- A cross-trained workforce in areas such as the Senate upholstery shop which has been trained to handle window treatment and carpeting requests, and the House air conditioning shop, which has been trained to handle electrical, plumbing, and elevator service calls during the second and third shifts
- Increased internal controls over inventory, tools and equipment
- By using a consolidated shop approach, we are able to respond to service calls after hours with the consolidated shop staff rather than having to have each separate shop keep staff late unnecessarily
- Also, we are now using Job Order Contracts to perform small renovation projects where it is more advantageous to have private sector involvement rather than using our in house forces
- We have outsourced many areas of technical expertise, using private sector contractors for design, estimating, legal and dispute resolution services
- We have increased our use of the private sector vendors for custodial services, having contracted out Webster Hall and Postal Square on the Senate side, the Ford Building on the House side and at the U.S. Botanic Garden as well
- We also use temporary staff for seasonal, short term, and renovation work rather than staffing with long term FTE.

These new processes have been tested and implemented, best business practices confirmed with other facility managers, economic savings verified, and will be used as models as we continue our evaluations.

I believe that the final configuration of this agency will maintain continuity of services by using a balanced mix of core staff with their institutional knowledge, quality assurance and dedication of service, as well as a flexible mix of outside vendors, private sector contractors, and temporary staff to provide cost effective, quality service to the Congress.

Steps taken toward this goal also include acting to improve customer service within the Capitol itself. In our other areas of jurisdiction, further changes in operations are being investigated and their associated recommendations for several pilot initiatives are being prepared by the task force. I will be happy to provide this Committee with the detailed proposals once the pilot programs have been crafted. Any proposals that might impact the role of the agency or how it relates to other Congressional entities will be brought to the appropriate oversight bodies for consideration.

HUMAN FACTOR

Last year the Senate authorized a limited two year buy out and early retirement program for the Senate Restaurants. The goal was to quickly reduce the number and cost of FTE supporting that function since reductions through attrition were minimal and the operation was losing money. That process was sensitively handled in conjunction with OPM, and many employees opted to take early outs and buy outs. The process successfully reduced our losses and yielded an expected savings of \$250,000 in 1998—projected savings in 1999 total over \$600,000. We learned through this experience that with proper planning and implementation these are effective tools for re-engineering, and I propose using this program as a model should it be necessary for future efficiency initiatives. The existing buy out authority covers only the Senate Restaurants. I will be providing requested modifications to that buy out authority to remove the cap of 50 positions, make that coverage available for all AOC employees, and to extend the availability of the program two additional years, through 2001.

I have already stated that as a result of our strategic business planning efforts we have some specific pilot actions underway to validate results in areas that we have identified as having the potential for more efficient or cost effective service delivery. We intend to test those pilots during the balance of this fiscal year, and it is projected that the portion of the budget presented here today related to staffing and operating costs thus will be a worst case scenario for fiscal year 1999. Clearly if we identify areas that could be re-engineered, we need funding for existing staff until the re-engineered functions are in place. At that point, we also would require funding, although at a hoped-for reduced level, for the re-engineered functions. Further, if the results of our pilot initiatives determine that a re-engineered and smaller workforce may be more cost effective while delivering quality service levels, then we would need to implement a buy out and early out program to reduce the workforce. As with the Restaurant program, funding for early out and buy out packages would be derived from the existing staff's budgeted costs for that fiscal year. The following fiscal year would be the point where any significant cost savings would begin to accrue as a result of such re-engineering. Once the results of our pilot stra-

tegic business planning initiatives are known and evaluated, I will present them for your consideration.

This type of program has been successfully used by the Library of Congress, the Government Printing Office, and especially by the General Accounting Office, which has given us much valuable information for their recent re-engineering efforts. The success already experienced in these several areas demonstrates that such programs are a valid way to achieve re-engineering and staffing mix and grade level adjustments. Significant re-engineering must take into account succession planning to retain skills and knowledge lost when senior and long term staff leave. Some of that succession planning requires retraining existing staff to become multi-skilled workers to take on a multitude of tasks. Some retraining is also needed to respond to new technologies that are advancing, especially in the areas of computer aided facilities management.

There are two reasons why buy out and early out programs might need to be made available to our employees, one legal, one philosophical. First, our employees, unlike those in the Senate and House, are covered under title 5 of the U.S. Code, the AOC Human Resources Act of 1995, and other statutes governing our employees' rights. The philosophical difference between our employees and those of the Senate and House is that our employees are employed as civil service career employees: they are hired, earn their pay, contribute to the government retirement fund, and after a long career, retire with federal pensions. On the other hand, many Senate and House employees come and go as their Senators and Members are re-elected.

CONCLUSION

The task of completing the assessment of the agency's strengths and weaknesses, viewing them from a fresh perspective and striving to implement sensible and realistic conclusions is complex, but much progress has been made. I will continue with this rigorous examination of our services, how they compare with the private sector, and how the delivery of those services is viewed by our clients. This is an ongoing process.

In conclusion, with respect to the capital budget, I readily acknowledge that the amount requested is large, and understand the pressures to achieve a balanced Federal budget in fiscal year 1999. The nature of our aging facilities, security and technology improvement needs, life safety and other mandated issues, all legislate for the recommended projects. I know that this Committee and the Congress realize, that many of these projects are clearly necessary to properly conserve the "peoples building" and supporting structures for future generations.

With respect to the operations budget as it relates to our mission and services, I am committed to continuing the process of re-engineering the agency to develop an organization that will deliver efficient and cost effective services in an equitable and bicameral manner. If the requested modifications to the authority for buy outs in the Senate Restaurant are granted, we will be able to use it agency-wide to promote quality service in a cost effective manner. There may be additional legislative adjustments identified as this process unfolds. However, I will not propose them if I am not convinced of their need.

I will continue to report periodically on our progress as we examine these issues. I believe that we can become more effective and more cost-efficient and still continue to fulfill the core mission of the agency. With respect to our dedicated employees, I believe that we can be sensitive and humane as we proceed. The Office of the Architect of the Capitol will continue to be professional and effective in meeting the challenges ahead.

Mr. Chairman, that concludes my statement and I shall be pleased to respond to any questions that you and the Committee may have.

FUTURE SHORTFALL

Senator BENNETT. Thank you very much. Let's go back one chart. Looking at this chart by itself, you can say we got away with staying under the \$1.7 million, and only began to approach it in fiscal year 1997 and again in fiscal year 1999.

I would like, if not here, then at some future point, for you to go out a few years, I realize this will require some guesswork, and we will not hold you to the exact specifics, but I have the feeling,

from what you are saying, that the years of shortfall are going to produce spikes above the blue line in future years.

If that is not true, we cannot justify going to the blue line, just because it is a nice statistical measure, but if it is true that we are going to have red spikes that go up above that, then the blue line becomes a prudent management kind of tool. I think this committee needs that sort of predictive analysis in order to justify a \$1.7 million automatic kind of number.

Just because that is what it costs to keep up the University of Illinois, or whoever, it does not necessarily mean that is what it should cost us.

Intuitively, I think you are right. I think the \$1.7 million makes sense. But I would like some guesses as to where the spikes are going to come from in the future to make us pay for the shortfall. If they are not there, then we ought to rethink the \$1.7 million number.

Mr. HANTMAN. Mr. Chairman, your instincts are right on line. We, in fact, have information going forward for a 5-year master plan, which do indicate significant spikes, and we would be more than happy to sit down and explain what the nature of those projects are, and what fits with that 1.7 percent line.

Senator BENNETT. We need to be forewarned about them, because we are going to have to come up with the money for the spikes.

I remember some criticism when we came up with the money for the Botanic Garden, because people have their eye on the lower red line there on the chart and said, What is the matter? We give you chairmanship of this committee, and you run right out and spend an extra \$30 million.

The forewarning will be very helpful to us, as we deal with the challenge that you have.

Mr. HANTMAN. We will come back to you with that information, Mr. Chairman.

[The information follows:]

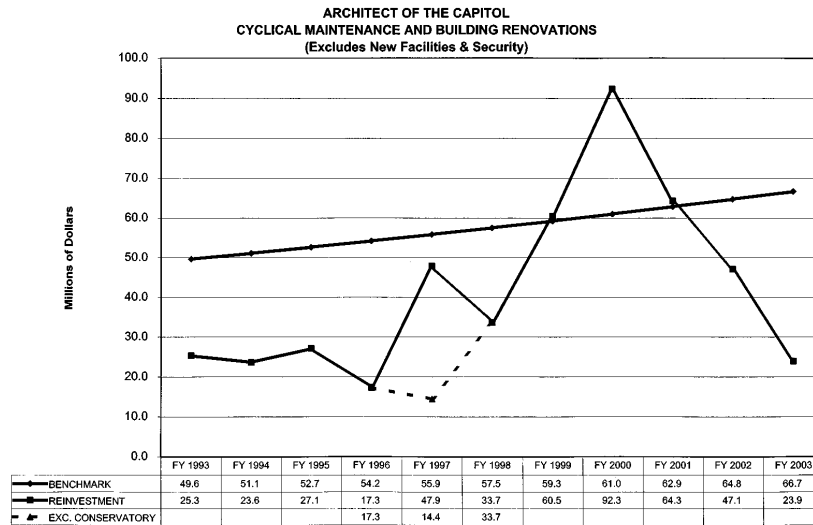
The table below indicates the current projections for the total funding related to the five year capital budget. A similar table is presented in our Opening Statement. The total capital budget includes not only reinvestment costs but new facility and security projects as well. The new facility and security costs in the table below have been subtracted out of the totals at the bottom of the table, leaving just the reinvestment costs required to maintain existing facilities. As noted by the Chairman, there is clearly a "spike" in the out-years. The fiscal year 1999 request of \$60,478,000 is right in line with the benchmark reinvestment level of \$59.3 million. In fiscal year 2000, the projected benchmark level is \$61 million, and the currently projected reinvestment request would exceed \$92 million. This large spike is largely due to the number of reinvestment projects that are currently under design with funding appropriated in fiscal year 1998; once design is completed accurate cost estimates can be made and the present "marker" estimates will be replaced with accurate cost projections based on complete design. The projected benchmark level for fiscal year 2001 is \$62.9 million and the currently projected reinvestment funding request "marker" estimate would total \$64,258,000, which again exceeds the benchmark.

Clearly, as decisions are made with respect to the fiscal year 1999 request, a reevaluation of the out-year portion of the budget will be made. Some projects that may be deferred during action on the fiscal year 1999 request will have to be re-requested in fiscal year 2000, adding to the spike. Likewise, some projects now programmed for fiscal year 2000 may be moved out one more year depending on actual circumstances. But the general point of there being a budgetary spike in the current planning is real and must be dealt with in order to prevent deterioration to the Capitol complex infrastructure.

FIVE YEAR CAPITAL PROJECTIONS

Category	Fiscal year—				Five year total
	1999	2000	2001	2002	2003
Life Safety	\$11,025,000	\$9,734,000	\$10,848,000	\$2,247,000	\$400,000
ADA	2,125,000	1,545,000	1,225,000	1,225,000	1,225,000
Security	25,382,000	3,095,000	6,905,000	500,000	.....
Cyclical Maintenance-Improvement	13,320,000	12,220,000	12,220,000	2,450,000	2,225,000
Cyclical Maintenance	22,258,000	31,655,000	23,065,000	14,372,000	13,012,000
Technology/Management Systems	2,035,000	2,210,000	840,000	840,000	391,000
Improvement—AOC	3,655,000	7,536,000	10,560,000	6,470,000	2,180,000
Improvement—Client	7,660,000	43,941,000	27,850,000	34,800,000	5,000,000
Subtotal	87,460,000	111,936,000	93,513,000	62,904,000	24,433,000
Less: New Facility and Security Costs	—26,982,000	—19,635,000	—29,255,000	—15,800,000	—500,000
Total Reinvestment Funding Required	60,478,000	92,301,000	64,258,000	47,104,000	23,933,000
					288,074,000

A graphic presentation of the projected benchmark reinvestment level and the funding currently included in the five year capital budget follows.



BOTANIC GARDEN PROJECT

Senator BENNETT. Senator Dorgan, do you have any questions?

Senator DORGAN. Can you tell us the status of the Botanic Garden project? My understanding is that the time situation has slipped. Were we not talking about completion of the structure before 1999? What is the reason that the time line has slipped on that?

Mr. HANTMAN. Lynne Theiss, who is our Executive Officer, and responsible for that specific project.

Ms. THEISS. Senator, the original time line for construction was a 2-year construction project itself. What was not calculated in the original presentation given to the committee was the time it takes for the bid and to put all four phases of the original drawings into a good-sized package.

If you recall, the original presentation said that we had four different projects going on at one time. When that material was put together we realized that the time for our consultants—DMJM is the acronym that we have for them—to get their team assembled and our team assembled, extended that time line, so we are on track right now for completion including replanting, for September of the year 2000.

Senator DORGAN. Thank you.

Senator BENNETT. Will the slippage in the completion date for the Botanic Garden project result in any cost increases?

Ms. THEISS. No; the Botanic Garden project will be complete on time and within budget.

EMERGENCY SUPPLEMENTAL FUNDING

Senator DORGAN. Are there recommendations in the supplemental that deal with security and also repairs to the dome, or in-

vestment there that will be taken out of this budget if the supplemental passes and, if so, how much?

Mr. HANTMAN. Absolutely. There are \$20 million in for the perimeter security program, \$4 million of which will be sent over to the Capitol Police themselves for their electronic components of that. There is also \$7.5 million for this study of the interstitial space that is also in this budget right now, so \$27.5 million comes right off—off of—

Senator DORGAN. Assuming the supplemental is passed.

Mr. HANTMAN. Assuming the supplemental is passed.

Senator DORGAN. All right.

Thank you, Mr. Chairman.

CAPITAL PROJECT MANAGEMENT

Senator BENNETT. Thank you. You have funding for a number of capital projects here, and you have made your case for the money, now, without questioning about your capability to manage that many projects simultaneously, do you want to make a comment on that point?

Mr. HANTMAN. There are really three ways that we are planning to deal with whatever level of funding you give us for these new capital projects.

The mission of our architects, our engineers, our construction management people needs to change, it needs to change to be more project management oriented, rather than being on the boards and doing the drawings themselves. So we are training some of our people in both architecture and engineering to do just that.

We also are requesting in this budget additional funds to retain architectural and engineering firms in indefinite quantity-type contracts, so they can do some of the drawing for us, and have us oversee them on that work.

We have also included in some of these projects the issues of having actual design funds as part of the projects themselves, so, again, the design work will be taken away from our people, and we will be able to monitor them more effectively through that staff.

We have the capability of increasing our core staff of about 30 project contract managers in our construction division right now. These are temporary employees, and we can hire people and charge them to the projects themselves to oversee these, and have those people come on as long as we need them.

We are going to be expanding our staff with temporary people, as opposed to adding permanent people to our staff, to accomplish this.

AUDITABLE FINANCIAL STATEMENTS

Senator BENNETT. OK. When do you anticipate having auditable financial statements?

Mr. PREGNALL. Mr. Chairman, we are currently working with the financial management division of the General Accounting Office. We presented them with a plan that will have an implementation of a standard general ledger sometime in fiscal year 1999.

We propose, if that were feasible, to have an audited financial statement made available for fiscal year 2000. That is our current timetable.

Senator BENNETT. What is your estimated cost to address the year 2000 problem? What downward dip can we look for at some future point, when that problem is taken care of? Do you have a single number for it?

Mr. PREGNALL. We do not have a single number for all of the aspects that were covered in the GAO report for collecting that data; we can provide that for the record.

I have spoken with our director of IRM, who has headed up this very important project. Most of the funds that they have expended have come out of our maintenance budget.

On our local network, we have a cyclical life cycle replacement process where older PC's are changed out regularly to keep up with technology. We have used the FAR language to make sure that all our new PC's acquired are year 2000 compatible. Rick Kashurba and his staff have made sure that all of the operating systems are year 2000 compatible. We are still catching up on some of the engineering functions.

We do have maintenance funds for most of those systems and the vendors do have fixes in place where they are developing them. And as you know, we are monitoring that, we are creating contingency plans just in case the vendors do not come through.

Senator BENNETT. OK. Thank you. I salute you for your diligence on that.

ADDITIONAL COMMITTEE QUESTIONS

Mr. Hantman, again, we thank you for a year's worth of good stewardship and a fast learning curve. It is not a criticism of your predecessors to say that you inherited a serious challenge, because this job always carries with it a serious challenge, but you did come into a situation that did not allow any coasting, and we are grateful to you for the professional manner in which you discharge your duties.

Mr. HANTMAN. Thank you very much.

Senator BENNETT. Thank you.

[The following questions were not asked at the hearing, but were submitted to the Architect for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

UNIFORM PROGRAM

Question. The AOC has requested approximately \$575,000 for an agency-wide uniform program. This was based on a pilot project providing uniforms for Senate Office Building employees. Please summarize for the record the results of that pilot project, and if a final report was issued, include the final report for the record.

Answer. Approximately 60 percent of the employees in the Senate Office Buildings are currently in uniform. In general the employees are pleased with the uniforms. Twenty-six boxes of uniforms are missing from the vendor with no time estimate of when this will be resolved. Several factors contributed to a rugged start, such as: the absence of a secure area to issue and control the distribution of uniforms, some fitting problems, white identification embroidery on all the uniforms including those with white shirts, and the Contractor's (Cintas) organization and support was not up to what was expected by the Architect's office.

PRIVATIZATION

Question. Last year the Architect indicated that the Office was still collecting data about possible areas of privatization. Please update the Committee on the results of this effort.

Answer. The Office has continued to collect data over the past year about possible areas of privatization. At this time, the Office has compiled enough data to develop firm scopes of service in order to implement controlled pilot programs in the areas listed below. It is anticipated that implementation will begin as early as April 1998 in some areas.

Capitol Grounds—Out Parcel Maintenance; Parking Lot Maintenance; Fire Extinguisher Inspection and Charging; Chandelier Cleaning; Restaurant Support; and Plant growing for the Capitol grounds.

Additional data is still being collected in order to develop firm scopes of services in the following areas.

Custodial; Shuttle Service; Vehicle Maintenance; Elevator Inspection and Maintenance; and Re-Lamping.

FORT MEADE PROJECT

Question. When will the Fort Meade project be completed and available for occupancy by the Library?

Answer. The drawings are nearing completion and bidding is expected to start in April. Occupancy is slated for the end of summer 1999.

STRATEGIC PLANNING

Question. When do you anticipate presenting your strategic business planning initiatives?

Answer. Last Fall the agency embarked on its first ever Strategic Planning effort. After a series of preparatory meetings, nearly 30 senior managers met for three days and developed a Vision Statement, Mission Statement and Core Values. The group also identified several Critical Success Factors necessary to meet the Goals and Objectives. Since that time, the group has been extended to lower level management. It is fair to say that the agency's program is gaining momentum. As of April 3, 1998 the newest suggestions and concerns will have been incorporated into the Plan for evaluation by the entire group of 60. We will be happy to share both the information on our process, our programs and our proposed implementation as they develop.

COMPUTER-AIDED FACILITIES MANAGEMENT

Question. Please update the Committee on the status of the computer aided facilities management system (CAFM) project. The AOC's Office indicated recently that it is estimated to save 10–15 percent in maintenance costs. Please identify how those savings will be accomplished.

Answer. Two phases of CAFM are currently in the implementation phase.

Phase 1 will implement Space Management for the Senate Office Buildings and Senate side of the Capitol. It is now 85 percent complete. Currently the AOC is working with the Senate Committee on Rules and Administration to finalize ad hoc and customized reports.

Phase 2 which will implement Work Management and development is 30 percent complete in the Senate Office Buildings. Recently a reprogramming was requested to implement Work Management in the Capitol and House Office Buildings as well. Currently work processes are being standardized. The automated work management module will be implemented during June 1998. The first part of this module which is work requests (year 2000 problem with existing system) will be operational by August 1998.

With respect to the reported possibility of a 10–15 percent savings, a projection of actual savings cannot be currently determined until workload data is collected and analyzed to determine areas where preventive maintenance and service work requests can be made more efficient.

RENOVATION OF THE CANINE FACILITY

Question. Last year the Police Board requested and the AOC included in its budget request \$350,000 for fiscal year 1998 and \$350,000 for fiscal year 1999 to fund the renovation of the K–9 facility. The Appropriations Committees provided \$200,000 in fiscal year 1998. Since last year, the police officers have done a substantial amount of the work at the K–9 facility themselves. Has the AOC's Office done any work with the \$200,000 provided? Has the cost of that project been reevaluated in light of the work that has been done?

Answer. Although the U.S. Capitol Police have performed a creditable job in cleaning out the existing facility, none of the mechanical, electrical, plumbing or other repairs have been undertaken. These are presently under design. The plan for

fiscal year 1998 is to renovate the portion of the building that accommodates the canines by replacing the heating, ventilating and air conditioning system, upgrading the electrical system, installing adequate kennel drainage and plumbing, resurfacing the floor, and replacing doors, door frames, windows, etc. as required to permit housing of canines in the building. During fiscal year 1999, the administrative portion of the building will be renovated with the \$200,000 funding increment programmed for that year. The fiscal year 2000 increment will focus on exterior site problems, especially drainage around the building and the training field. The final programmed increment of \$100,000 in fiscal year 2001 will complete the site work by addressing the parking, relocation of the trailers, and any final work required.

OFF-SITE DELIVERY CENTER

Question. In fiscal year 1998, Congress provided \$100,000 of a \$150,000 request for OSHA repairs to the off-site delivery facility. The budget requests the additional \$50,000 this year. Of the original \$100,000 provided, what work has been completed by the AOC's Office to date? Is the total \$50,000 still required to complete the project?

Answer. A preliminary survey of the off-site delivery facility (P St. Warehouse) has been completed and a scope of services has been developed. An architect/engineer will be retained to complete a phased plan for implementation of the OSHA repairs and related improvements. Phased implementations of the repairs will begin in late spring or early summer. The additional \$50,000 requested in fiscal year 1999 will be required to complete the project.

CAPITAL PROJECT MANAGEMENT

Question. The Architect indicated in the hearing that it is the Office's intention to manage, if provided, the increase in projects and funds, with outside contractors. Are the funds required for these contractors provided in the budget as a separate management cost, or are they built into the cost estimate provided for each project?

Answer. Funding for the hiring of consultants for planning, design and estimating of some projects is requested as a separate budget item and as a specific phase of the project. For example, design for the Senate Chamber improvements project has been requested as a separate budget item in order to fully develop drawings, specifications and cost estimates for that project. This process is followed when a project is of such a magnitude in cost or scope that a specific consultant is needed to bring particular expertise to carry out the design. For other more routine type projects, in the past in-house staff were tasked with performing actual design work. However, in order to more efficiently utilize existing staff resources, we are refocussing our staff into more of a project manager role. In this role, our staff will oversee several different design efforts undertaken via indefinite quantity (IDQ) service contracts for architectural, engineering and estimating services. There are similar contracts in place with the General Services Administration (GSA), and the National Oceanic and Atmospheric Administration (NOAA). The AOC is looking into the possibility of using existing IDQ contracts with these agencies rather than going through a similar procurement process. Funds totaling \$350,000 have been requested as a new operating allotment in the Capitol Buildings appropriation to support contractual services for architectural and engineering services, and funds totaling \$80,000 have been requested in the same appropriation for contractual estimating services.

Once design is completed and funding is made available for actual work, the cost of managing the construction process is charged against the project funds and is accounted for within the project estimate and budget. The AOC's Construction Management Division (CMD) is composed largely of temporary project managers, inspectors and other construction project administrative staff whose costs are borne by actual projects. In this manner, the staffing level can be added to when more projects are being performed, and reduced when fewer projects are funded.

AUDITABLE FINANCIAL STATEMENTS

Question. What has been accomplished by your office in the area of financial management for fiscal year 1997 and fiscal year 1998 to date.

Answer. In fiscal year 1997, the agency developed the first AOC Financial Management Improvement Program (FMIP) Strategic Plan. The FMIP Plan will be revised annually to reflect current and future strategy.

Also the AOC is the first Legislative Branch agency to complete a Y2K upgrade of existing support software for its financial operations (accounts payable, inventory, procurement, funds control). Existing staff accomplished the design, development, testing, data conversion, and installation of software in only six months (4/1/97-9/30/97). Staff accomplished the effort while maintaining critical day-to-day financial

operations at the same time they supported the necessary Y2K upgrade effort. The Y2K upgrade was accomplished with minimal vendor support costs. This upgrade improved financial operations by migrating from a "home grown, stovepipe" financial system environment to an off-the-shelf integrated processing environment. The new system will help to create a framework for more timely and useful budget and other financial information, and enable the AOC to reduce duplicate data entry and data redundancy within its systems and financial processing, especially in the areas of funds control and accounts payable.

In fiscal year 1998, the agency will strengthen the AOC financial organization, both in terms of personnel and operations. We are currently working with the General Accounting Office to prepare an implementation plan for installing a JFMIP-compliant Standard General Ledger (SGL) that seamlessly integrates with other AOC financial applications. Financial software currently available on Financial Management Services' (FMS) Financial Management Systems Software (FMSS) Schedule will be reviewed to ensure that a JFMIP-compliant SGL (and related contract support) is purchased by the AOC. In addition, the AOC will explore cross servicing possibilities. This plan will identify the need for necessary staff, contractor and vendor resources.

Also, the agency will work with the current environment to employ more refined cost finding techniques for improved AOC project cost reporting and for improved AOC facilities management operational cost reporting.

Question. In fiscal year 1998, \$650,000 was provided for financial management. Please identify where those funds have been spent or are expected to be spent.

Answer. Approximately half of the funds have been obligated for continued technical support by the vendor and creating a redundant environment for the Y2K compliant system. Technical support of the system will be shared by the existing AOC IRM staff once full transition of all applications off the Unisys mainframe is accomplished. The balance will be used to continue refining reports generated from the system as well as pursuing the installation of a Standard General Ledger.

Question. The AOC budget request for fiscal year 1998 included a total cost of \$1.650 million for an integrated management system (financial management system). The budget request for fiscal year 1999 includes a total cost of \$2.850 million for the same project. Please identify what has changed to increase the cost of this project.

Answer. There are several reasons for the increase in the cost of the project. The interim Year 2000 fix for the core financial systems used in the agency temporarily delayed the development of IMS requirements. The agency has now presented to the GAO a draft accelerated implementation plan for adopting a JFMIP-compliant Standard General Ledger system that will lead to the ability to develop and audit financial statements. At the recommendation of several Legislative Branch agencies who had already gone through similar conversion processes, an additional year of implementation funding was reflected to provide sufficient resources to this effort. At the same time, the agency has accelerated its implementation of a computer-aided facility management system (CAFM). The complexity of capturing data from both financial and facility management systems and incorporating it into an overall Integrated Management System (IMS) led to an increased out-year support cost.

Based on the pending recommendations from the GAO related to the implementation of an SGL, it is anticipated that the AOC will revise its initial implementation costs and out-year projections. These revised costs will be presented to the Committee as soon as possible.

YEAR 2000 PROBLEM

Question. What is your estimated total cost to address the year 2000 problem? What has been spent to date, and what is requested in fiscal year 1999? What is your cost estimate beyond fiscal year 1999?

Answer. The following table summarizes the estimated costs to date and beyond.

	1997	1998	1999	Total
IRM		\$193,000	\$100,000	\$293,000
ENGR		35,000		35,000
ACCTG	\$112,500			112,500
SEN REST		50,000		50,000
TECH. SUPP		30,000		30,000
Totals	112,500	308,000	100,000	520,500

The funding identified for fiscal years 1997, 1998 and 1999 are provided for in the base maintenance accounts.

GENERAL ACCOUNTING OFFICE

STATEMENT OF JAMES F. HINCHMAN, ACTING COMPTROLLER GENERAL OF THE UNITED STATES

ACCOMPANIED BY:

BRIAN P. CROWLEY, ASSISTANT COMPTROLLER GENERAL FOR PLANNING AND REPORTING

JOAN M. DODARO, ASSISTANT COMPTROLLER GENERAL FOR OPERATIONS

RICHARD L. BROWN, CONTROLLER

OPENING REMARKS

Senator BENNETT. Our second witness is Mr. James Hinchman, the Acting Comptroller General. It is no criticism of Mr. Hinchman that he remains with that adjective.

Mr. HINCHMAN. You are very kind, Mr. Chairman.

Senator BENNETT. Yes; I will say that over the last year this committee has had to look to GAO for expertise in a wide variety of areas just after this committee went through the process of cutting you back by 25 percent.

For me, you have risen to the challenge extremely well, and I am very grateful to you personally and professionally for the way you have taken on this assignment, particularly with respect to the year 2000 problem.

We continue to get in my other subcommittee chairmanship first-class work out of GAO with respect to the year 2000 problem, and that is attributed, Mr. Hinchman, to you, and to the dedicated people who assist you, and I will be grateful if you would pass on to them my personal thanks for all they have done.

Mr. HINCHMAN. Thank you, Mr. Chairman, I will be happy to do that. It is the greatest satisfaction of our work to know that. I appreciate that very much.

Senator BENNETT. Now, having said that, I will recognize Senator Dorgan to give a speech with which I will associate myself in advance.

NEED TO APPOINT COMPTROLLER GENERAL

Senator DORGAN. Well, you may or may not. Mr. Chairman, let me just vent for a moment on this issue, and I will be very brief.

Mr. Hinchman, I think, has done a remarkable job, and I have great respect for his work for the organization, the GAO. I think they serve Congress admirably, they do very professional work, and we could not do without them.

The former Comptroller General, Charles Bowsher, left 19 months ago. We knew 1 year before that exactly when he was going to leave, because his term was up and he was going to be gone. So for 2½ to 3 years we have known that we need a Comp-

troller General. Nineteen months after it became vacant, we do not have a Comptroller General.

Mr. Hinchman is an awfully good leader, in my judgment, but he is not a Comptroller General, because he has not been appointed. It is outrageous, in my judgment, that we have not found a mechanism or some method to appoint a new Comptroller General.

Let me just read the people who are supposed to be doing this, just so that we all understand: Speaker Gingrich, Senator Thurmond, Senator Lott, Senator Daschle, Congressman Armey, Congressman Gephardt, Senator Thompson, Senator Glenn, Congressman Burton, and Congressman Waxman. They comprise the commission that is responsible to develop the names to send to the President for this appointment.

This commission, for whatever reason, has been unable to reach agreement. It is true that the vice chair and chair of the commission have now sent three names to the White House; it is not true that the commission has sent names to the White House, because they have been unable to agree.

I am thinking of a couple of suggestions, which I will not offer today, but which I will intend to offer on the floor of the Senate either when this subcommittee sends the bill to the floor, or before.

One is, perhaps if this commission is unworkable, and maybe 19 months, or 29 months, demonstrates that, then we should abolish this commission, and say, If you cannot do your job, we will construct something that can do the job, so essentially firing the commission, or second, simply say that those who have not performed are not able to access information from the GAO until they do.

Well, I say that, understanding that the chairman just said he has agreed with everything I will say, knowing that he likely would not want to join me in that recommendation, but—[Laughter.]

Senator BENNETT. I will take it under serious consideration. [Laughter.]

Senator DORGAN. I say to the leadership on both sides, who construct this commission, that they have a job to do. They have not done the job. It is embarrassing and it is outrageous. And in my judgment, it shortchanges a very important agency. This country deserves a Comptroller General. We ought to make this selection.

There are men and women of great quality and high character, and men and women that are of great distinction who can become candidates for this, and among which we can select a Comptroller General. And maybe your names are among that list; I do not know.

But look, my point is, I want this group to do its job, and if they will not do their job, I will recommend that we reconstitute a different commission with people who can do the job, and the sooner, the better.

Having said that, Mr. Hinchman, again, you have done an excellent job, but we need whoever runs that organization to have the title Comptroller General, and the full force and authority of what that title implies.

Senator BENNETT. I agree with everything you say. We will take under consideration your proposal, and maybe the proposals that you and I get to pick it after 60 days, or some such number. [Laughter.]

Mr. Hinchman, we are looking forward to hearing what you have to say.

Mr. HINCHMAN. Thank you, Mr. Chairman. I have a prepared statement, with your permission I would like to summarize that—

Senator BENNETT. Absolutely.

Mr. HINCHMAN [continuing]. And if that is acceptable, I would ask that the statement be put in the record.

Senator BENNETT. Without objection.

STATEMENT HIGHLIGHTS

Mr. HINCHMAN. With me is Joan Dodaro, our Assistant Comptroller General for Operations, Brian Crowley, our Assistant Comptroller General for Planning and Reporting, and Dick Brown, our Controller.

I have only one brief point to make. GAO's mission is service to the Congress. A year ago we told you that our overriding internal management goal was to stabilize the operations of our agency following our downsizing, so that we could create the environment in which we could recruit and retain the talented staff we need to fulfill that mission, and provide the organizational and support structures that they need to do that job successfully.

I want to thank this committee for the \$8.5 million increase which we received last year under your leadership. With those funds we have been able to pursue that mission of stabilization. In particular, we have instituted a limited hiring program to address our most acute staffing shortages and have also been able to begin modernization of our information technology infrastructure.

Our budget request for this year continues that goal of stabilization. To pursue that goal, we are again seeking an increase in our budget. That increase would go for only three purposes. One-half of it would go to meet mandatory and price level increases we cannot control.

The second part would go to pay for a portion of the cost of our information technology infrastructure modernization. That modernization, by the way, is critical to our plans for becoming year 2000 compliant. We are absorbing most of the cost of that modernization within our current funding level, but we do need some help.

The third component would go for a staffing increase to help move us toward our goal of a 3,450 staff level. We established that goal when we began our downsizing. It represents a one-third reduction from our 5,300 level, which is where we were at the beginning of that downsizing. We are currently below that level, and it is becoming increasingly difficult for us to meet growing demands for work in some critical areas.

You have already referred to the most critical of those. We have limited staff who can do the work we are trying to accomplish in the area of the year 2000 compliance, both within Government and our country as a whole. The demands for work in this area are growing daily.

But there are other demand areas. We are being inundated with requests for work in the area of telecommunications policy, an area in which we have had little or no expertise since we began our

downsizing. The demands for us to do work in the area of oversight of international and multinational organizations has also been growing over the last couple of years. We are facing exploding demands for work in the area of Medicare financing, particularly since the creation of the commission on the future of Medicare.

We know that resources are limited, and we are doing everything that we can to control costs. For example, at your suggestion, we entered into a lease with the Army Corps of Engineers for one floor of our headquarters building so that we can reduce the cost of maintaining that facility. We are also working hard to improve productivity and, through process reengineering, have made significant gains in that area.

But notwithstanding these efforts, if we are going to continue to be a strong and viable organization that can fulfill our mission of serving the Congress, we are going to again need an increase in our funding for the coming year. We are hopeful that it is going to be possible for us to get those funds.

PREPARED STATEMENT

Thank you very much, Mr. Chairman. I would be happy to answer any questions you have.

[The statement follows:]

PREPARED STATEMENT OF JAMES F. HINCHMAN

Mr. Chairman and Members of the Subcommittee: Thank you for the opportunity to be here today to testify on the General Accounting Office's (GAO's) fiscal year 1999 budget request. GAO's request reflects a continuation of our effort to stabilize agency operations following our downsizing. This year, with the resources provided by this committee, we have begun taking the steps necessary to achieve this end. In particular, we have embarked on a major modernization of our information technology systems and normalization of our hiring, promotion, and employee recognition programs. Our 1999 request will enable GAO to sustain this effort and maintain its capacity to serve the Congress effectively.

FISCAL YEAR 1997 ACCOMPLISHMENTS AND HIGHLIGHTS

GAO is proud of its long tradition of service to the Congress and the contributions it has made toward improving federal government operations. The issues we examined during fiscal year 1997 spanned the breadth of national and international concerns, including aviation safety and security, financial management and accountability, health care financing, income security, information technology, national security, tax administration, and many others. Eighty-three percent of our work was done at the request of the Congress or in response to a statutory mandate.

As a result of our audits and evaluations, the legislative and executive branches took actions last year resulting in financial benefits of nearly \$21 billion—over \$50 for every dollar that you appropriated to GAO. These actions included budget reductions, costs avoided, appropriation deferrals, and revenue enhancements that are directly attributable to or were significantly influenced by GAO's work. For example, the Congress and the Department of the Treasury reduced the Internal Revenue Service's proposed fiscal year 1997 tax systems modernization appropriation by a total of \$514 million as a result of GAO reporting on problems associated with the modernization effort. As another example, the Congress terminated the Housing and Urban Development's mortgage assignment program after GAO found the program was not successful and was costly to run. The estimated benefits over 2 years are about \$1.3 billion.

We also had other findings and recommendations that resulted in or contributed to improvements in the effectiveness and efficiency of government operations and services that cannot be quantified in monetary terms. Their impact is nonetheless significant because they lead to a better-run, more streamlined government. For example, as a result of GAO's work, the Federal Aviation Administration has increased its inspections of foreign air carriers to ensure that they comply with international safety standards. In addition, to help ensure compliance with the Govern-

ment Performance and Results Act, we issued a guide for the Congress and agencies to use in reviewing agency strategic plans and reported on agencies' progress in implementing the act. Past experience shows that about 75 percent of GAO's key recommendations usually are implemented within 4 years, through the passage of implementing legislation and agencies' corrective actions.

Overall, we produced 1,337 audit and evaluation products during fiscal year 1997. These products included 975 reports to the Congress and agency officials, 149 formal congressional briefings, and 182 congressional testimonies delivered by 65 GAO executives before 81 congressional committees or subcommittees. We also provided 14 statements for the record to congressional committees and subcommittees. In addition, we produced 2,386 legal decisions on matters involving government revenues and expenditures, such as protests against the award of federal government contracts.

During fiscal year 1997, we undertook a wide range of initiatives aimed at making GAO more responsive to the Congress and enhancing the quality and timeliness of our products and the efficiency of our services, while also expanding staff capability and improving human resource management. In addition, we have further refined our quality control program to ensure that high-quality products are consistently produced and meet professional standards. We also fully implemented a reengineered job process management system that has increased the efficiency in which we conduct our reviews and the quality and timeliness of the products created. Compared to fiscal year 1996, the cost of our assignments in fiscal year 1997 was reduced by nearly 25 percent and their duration by about 20 percent.

FISCAL YEAR 1999 BUDGET REQUEST

GAO's fiscal year 1999 request is necessary to maintain our capacity to serve the Congress effectively and to support our efforts to stabilize agency operations following our downsizing. We are asking that the committee consider a fiscal year 1999 budget of \$369.7 million. The increase included in this request is for three principal purposes: mandatory pay and benefits and uncontrollable costs increases; technology modernization and upgrades to replace outdated technology and ensure year 2000 compliance; and funding to move closer to our employment goal of 3,450.

Mandatory pay and benefit increases are the most important and account for the largest part of our request. These increases are necessary to cover uncontrollable costs, such as cost-of-living, locality pay, and personnel benefits increases. GAO's staff, its most valuable resource, accounts for about 80 percent of its budget dollars. It is also important to offset other uncontrollable inflationary increases, such as the higher cost of contract services, travel, printing, supplies, and other mission essential support services. Without additional funding to cover these costs, our capacity to function effectively will be impaired.

We need to continue efforts to modernize our technology to maintain the productivity and timeliness gains that such technology has thus far made possible. Investments required in fiscal year 1999 will replace outdated software and hardware and will ensure that GAO is year 2000 compliant.

This year, GAO has begun efforts to correct the skill imbalances resulting from our downsizing. Our recruiting plan calls for us to replace attrition and gradually move closer to the agreed upon 3,450 employment level by the end of fiscal year 1999. We are requesting funds to provide for personnel compensation, benefits, and related costs to make this possible.

GAO's fiscal year 1999 budget request does not include funding for the GAO headquarters building renovation program. Last year, at your request, we analyzed our facilities requirements to determine whether we could lease any excess space in our headquarters building and use the revenue generated from that lease to renovate the two remaining unrenovated floors and supporting infrastructure of the building. On the basis of that analysis, negotiations are now underway for the Army Corps of Engineers to lease the entire third floor of the building. This lease should provide the funds necessary to permit completion of our renovation program.

CONCLUDING REMARKS

GAO's fiscal year 1999 budget request will position the agency to move into the 21st century with the staff, technology, facilities, and other resources needed to effectively and efficiently serve the Congress and to contribute to the improvement of government operations and services. The increase in our budget is essential to cover mandatory increases in people-related costs and inflationary increases in the prices of the goods and services we buy, continue GAO's efforts to upgrade its technology and information systems, ensure year 2000 compliance, and stabilize GAO's workforce.

This concludes my statement. I would be pleased to answer any questions the Members of the Subcommittee may have.

YEAR 2000 COMPLIANCE

Senator BENNETT. Thank you. It will come as no surprise that with my dedication to the year 2000 issue I will do what I can to see to it that you do not get shortchanged there, because we repeat the obvious, we have no flexibility at the back end of that.

Do you have a sense of the total cost it is going to take for your 2000 problems?

Mr. HINCHMAN. I think the incremental cost above work that we would do anyway is about \$500,000, it is not a large cost. This is principally because the biggest part of our compliance plan is the replacement of our personal computers, the hardware for the local area network, which links those computers, and replacement of the software that operates on those computers.

We need to do this anyway to provide the level of information technology support which our staff needs; that has been the plan on which we have been working. Our current system is not year 2000 compliant, but the new one will be, and that is part of our information technology budget.

But there are other things that we have to do as well. As you know, we need to repair other systems throughout our agency. We need to do some work with other agencies and provide for interfaces and data exchanges. In total, these efforts are going to cost us about \$500,000.

DESKTOP VIDEO

Senator BENNETT. Last year you told us you were doing a pilot program on desktop video in the Seattle field office and in three sublocations. How did the pilot work out? Is it going to save you any money?

Mr. HINCHMAN. The use of our video conferencing system continues to grow. I think there are going to be questions, but the use of those video systems is a success and has produced significant savings in our travel budget, in addition, of course, to staff time, which does not have to be spent on airplanes.

Senator BENNETT. Do you want to say anything specific about the desktop?

Ms. DODARO. The use of desktop video conferencing is inconclusive at this point. Video conferencing in and of itself, as Mr. Hinchman has said, has been very successful and has been saving money. We have not yet reached a conclusion on the desktop portion.

Senator BENNETT. So you have not decided——

Ms. DODARO. No.

Senator BENNETT [continuing]. That it does not work, and you——

Ms. DODARO. No; we have neither decided it is nor have we decided that it is not in any way appreciably better than our agency facilities, the broad facilities that we have rather than people having them locally at their desks.

COMPUTER LEASING

Senator BENNETT. OK. You have been very creative about leasing computers. Perhaps you could give us a comment about that as an example for other agencies who are facing similar kinds of problems.

Mr. HINCHMAN. When we decided we had to embark on a replacement for our current computers, we, in consultation with experts in the field, concluded we needed to study whether it would be more cost efficient to buy new computers or lease them. I think that it is fair to say that virtually all of our consultants told us that the fiscally prudent thing to do is to lease those computers so that you can avoid the substantial investment in equipment that becomes obsolete so quickly.

When we lease equipment, it continues to belong, obviously, to the lessor. When it becomes obsolete, it is the lessor's problem and not ours; and we are free to move on to new systems.

As you know, Mr. Chairman, part of the reality of the information technology business today is that systems and the software that operates on them are changing so rapidly. It is very difficult to choose not to move with that change, because you quickly find yourself in a situation in which you cannot maintain your systems. After that study, we concluded that we needed to lease our new equipment, and that is what we are doing.

Senator BENNETT. I concluded with my family, I just do not need to buy it, it will be obsolete by the time we pay for it, so then I do not need to buy the next one, because it will be obsolete. My children disagree with that.

ADDITIONAL COMMITTEE QUESTIONS

Thank you very much. Again, Senator Dorgan's comments, as well as my own, demonstrate the confidence this subcommittee has in your stewardship, and our gratitude for all the work you are doing, and we will try to get a permanent title, either for you or somebody else, between now and the next time we meet.

Mr. HINCHMAN. Thank you, Mr. Chairman.

Senator BENNETT. Thank you.

[The following questions were not asked at the hearing, but were submitted to the Office for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Question. Please update the Committee on the status of your Year 2000 conversion plans.

Answer. GAO has identified the Year 2000 problem as one of its most serious operational challenges and ranks its Year 2000 Compliance Project as the highest information technology priority. To date, GAO has developed a detailed Year 2000 plan that includes schedules for converting or replacing all mission critical systems that are Year 2000 non-compliant. We have completed an agencywide inventory of 66 systems and identified 28 of those systems as mission critical. All mission critical systems have been assessed for Year 2000 compliance: 9 are compliant, 5 are being repaired, and 14 are to be replaced.

The main component of GAO's effort to repair or replace non-compliant systems is its long-planned technology modernization project. GAO plans to repair or replace all of the non-compliant systems well before the Year 2000.

Other Year 2000 actions that GAO has taken include the identification of all data exchanges and development of data exchange agreements and plans for making external systems compliant. We have also documented a Year 2000 test strategy, which includes approaches for testing network-based applications and corporate in-

formation systems, such as payroll and personnel systems run at the National Finance Center. In addition, we have begun developing contingency plans to ensure continuing core business operations in the event of Year 2000-induced failures.

Question. What did GAO spend in fiscal year 1997 for information technology, and what do you plan to spend in fiscal years 1998 and 1999?

Answer. Our information technology budget funds a variety of services underlying agency operations including mainframe computing services, data and voice communications, video conferencing services, network customer support, and maintenance and support for hardware and software. In fiscal year 1997, GAO spent \$21.9 million on information technology (IT). The current estimate for IT spending is \$26.4 million for fiscal year 1998 and \$27.8 million for fiscal year 1999.

GAO requested a \$1.4 million increase in its technology budget for fiscal year 1999, as part of continuing its technology modernization project to replace outdated hardware and software and to ensure GAO is Year 2000 compliant. The hardware and software replacements are for GAO's existing information and communications infrastructure and are needed to support the new workstation and network platforms to which the agency is migrating. A very small amount will be used to fund development efforts for GAO's mission tracking (audit work) systems.

Question. GAO cut 25 percent from its budget and reduced staff by 33 percent between fiscal years 1996 and 1997. The stabilization level established at the beginning of the downsizing was 3,450 FTE's. GAO effectively downsized and has operated with increased productivity levels since fiscal year 1997. Given this experience, is 3,450 FTE's the optimal level for GAO to serve Congress' needs?

Answer. At this point in time, GAO believes that 3,450 FTE's will enable it to meet Congress' current needs. In fiscal year 1997, GAO completed its downsizing efforts that began in fiscal year 1992 with a GAO-wide hiring freeze. By the beginning of fiscal year 1997, GAO's staffing had declined almost 35 percent from a 1992 level of 5,325 to its planned stabilization level of 3,500 staff (3,450 FTE's). Since then, higher than normal attrition has further reduced GAO staffing and caused staff shortages in critical program areas, such as financial auditing, information management, telecommunications' infrastructure, and Medicare and Commerce-related issues.

In fiscal year 1998, GAO began implementing a recruiting plan to replace attrition, correct the skills imbalance resulting from our downsizing, and gradually rebuild to the 3,450 employment goal. GAO is concerned about its ability to quickly respond to Congressional needs in critical areas if unable to implement this recruiting plan.

Question. What is your estimated total cost to address the Year 2000 problem? What has been spent to date, and what is requested in your fiscal year 1999 budget? What is your cost estimate beyond fiscal year 1999?

Answer. Many of GAO's Year 2000 issues are being corrected through its long-planned technology modernization project. This project is replacing obsolete hardware and software and providing additional capacity that would have been done regardless of Year 2000 issues. Without the resources needed to implement the modernization project, GAO will not be Year 2000 compliant.

In addition to the modernization project that indirectly addresses most Year 2000 issues, GAO estimates that about \$500,000 will be spent directly for Year 2000 efforts related to upgrades/fixes for its Financial Management System and a number of small database system, and the replacement of voice mail processing systems. Of the \$500,000, \$33,000 was spent in fiscal year 1997, while the remainder will be spent in fiscal year 1998. There are no funds included in the fiscal year 1999 budget, nor are there costs estimated beyond fiscal year 1999 that are directly attributable to correcting Year 2000 issues.

Question. What are the highest risk areas confronting GAO in completing its Year 2000 program on time?

Answer. GAO believes the highest risk to timely completion of its Year 2000 Project is with major systems that are outside of GAO's direct control and that GAO relies on to carry out its functions. These major systems include the pay computation and EFT systems; telecommunications carriers that provide nationwide communications for GAO's data, voice and video systems; and infrastructure utilities that support our facilities—electrical, power, and water.

QUESTIONS SUBMITTED BY SENATOR BYRON DORGAN

Question. As you are aware, a provision was included in the Fiscal Year 1998 Treasury and General Government Appropriations Act, which allows a six-month "open-season" for Federal employees who wish to switch their retirement system

from CSRS to FERS. I believe the chairman of the committee was the sponsor of that amendment, and I believe its purpose was to allow those who might somehow be disadvantaged under CSRS to switch to FERS during this six-month window this year. As I understand it, this could amount to a substantial cost for large agencies and departments of the Federal government.

Do you have any ideas as to the number of GAO personnel who, at the present time, are under CSRS and who might take this opportunity to change to the FERS system?

What would be the cost, if any, to your budget for any employee who did so, and what would be the total anticipated cost?

Answer. GAO projects that at July 1, 1998, the beginning of the 6-month "open-season" period, it will have 1,880 employees covered under the CSRS retirement system who could switch to the FERS system. It is difficult to predict how many employees will switch when provided the opportunity.

Currently, GAO's contribution towards Medicare and retirement benefits for an employee who participates in the CSRS retirement system is about 10 percent of the employee's annual salary. GAO's contribution towards social security and retirement benefits for an employee in FERS is about 23 percent of the employee's annual salary. Therefore, the additional cost to GAO for any employee who switches from CSRS to FERS could be about 13 percent of their salary. The actual cost per employee will depend upon the employee's actual earnings and level of participation in the Thrift Savings Plan.

To estimate the potential cost impact to GAO of the "open-season", GAO has developed estimates assuming that 5, 10, or 20 percent of the eligible employees would transfer from CSRS to FERS. GAO's estimate of the number of employees and the related cost impact under these assumptions are shown in the following table. At the time GAO's fiscal year 1999 budget request was submitted, the President's veto of the open season provision had not been set aside. GAO's fiscal year 1999 budget request, therefore, does not include any funds to cover this potential cost increase.

ESTIMATED COST INCREASE IF GAO EMPLOYEES SWITCH FROM CSRS TO FERS DURING JULY–
DECEMBER 1998 "OPEN SEASON"

	If 5 percent of eligible staff switch	If 10 percent of eligible staff switch	If 20 percent of eligible staff switch
Estimated number of staff transferring from CSRS to FERS	94	189	375
Annual cost increase beginning in fiscal year 1999 ¹	\$790,024	\$1,595,186	\$3,163,950

¹Cost estimate assumes that eligible employees have transferred from CSRS to FERS by the beginning of the fiscal year.

GOVERNMENT PRINTING OFFICE

STATEMENT OF MICHAEL F. DIMARIO, PUBLIC PRINTER

ACCOMPANIED BY:

ROBERT MANSKER, DEPUTY PUBLIC PRINTER

FRAN BUCKLEY, SUPERINTENDENT OF DOCUMENTS

WILLIAM M. GUY, BUDGET OFFICER

OPENING STATEMENT

Senator BENNETT. Our third witness is the Honorable Michael DiMario, the Public Printer, representing the Government Printing Office [GPO].

Mr. DiMARIO. Good morning, Mr. Chairman.

Senator BENNETT. Good morning. In the last year there have been some large projects involving the Government Printing Office that I trust you will hear about. GAO has been coordinating a management review, which is not before us, but I understand will be completed shortly.

The Joint Committee on Printing has been working on title 44 legislation, expected to be introduced in a few weeks, which will also affect your lives in a variety of ways. So we look forward to hearing your testimony.

Mr. DiMARIO. Thank you, Mr. Chairman. Mr. Chairman and members of the subcommittee, thank you for inviting me to be with you this morning to present the funding requirements of the Government Printing Office for fiscal year 1999. With me are my Deputy Public Printer, Bob Mansker, to my right; the Superintendent of Documents, Fran Buckley, to my left; and my Budget Officer, Bill Guy, also to my right.

Both Bob Mansker and Fran Buckley are newcomers to GPO, Bob spent many years as a staff member of the House, and later on the Joint Committee on Printing. Fran comes from the library community, where he was associate director of the Detroit Public Library, and later director of the Shaker Heights Public Library.

I am extremely happy to have them onboard at GPO, and I believe that they will be a real asset in our day-to-day dealings with both Congress and the public.

In the interest of time, I will summarize my prepared statement, which I have submitted for the record.

Senator BENNETT. Without objection, it will be printed.

PUBLIC PRINTER'S STATEMENT

Mr. DiMARIO. For fiscal year 1999 we are requesting a total of \$114.2 million for those programs that require appropriations directly through GPO. The request includes \$84 million for the congressional printing and binding appropriation, and \$30.2 million for the salaries and expenses appropriation for the Superintendent of Documents. This is an increase of \$3.5 million, or about 3.1 per-

cent, over the level of funding approved for fiscal year 1998, including the one-time transfer of approximately \$11 million from our revolving fund to the congressional printing and binding appropriation.

The congressional printing and binding appropriation is critical to the maintenance and operation of our in-plant capacity, which is structured to serve the information product needs of the legislative process in Congress. The majority of the Superintendent of Documents salaries and expenses appropriation is for the depository library program.

While some of the funding for this program is for salaries and benefits, most is for producing and disseminating publications to depository libraries, including publications in CD-ROM's and on-line formats.

This appropriation also provides the majority of the funding for the operation of GPO Access, which is the basis for our ability to transition the depository program to an electronic future.

We are cooperating with the General Accounting Office in its efforts to assess the status of year 2000 readiness in all legislative branch agencies following your direction, Mr. Chairman. Our proposal to bring our mainframe operating system into year 2000 compliance has been approved. We have formed an internal year 2000 program management office to work with GAO, and have appointed year 2000 coordinators throughout GPO.

We are undertaking efforts to convert, replace, or retire existing systems to ensure that they are year 2000 compliant, and we are assuring that all ongoing and planned improvements to our computer systems are year 2000 compliant. We are confident that the steps we are taking now will ensure the continuity of product and service provision to Congress, Federal agencies, and the public.

PREPARED STATEMENT

Mr. Chairman, this concludes my opening statement, and I will be happy to answer any questions you may have.

[The statement follows:]

PREPARED STATEMENT OF MICHAEL F. DiMARIO

Mr. Chairman and Members of the Subcommittee, I am pleased to be here today to present the funding requirements of the Government Printing Office (GPO) for fiscal year 1999.

GPO KEEPS AMERICA INFORMED

An abiding commitment to public access to Government information is deeply rooted in our system of Government. GPO is one of the most visible demonstrations of that commitment. For more than a century, our mission under the public printing and documents statutes of Title 44, U.S. Code, has been to fulfill the needs of the Federal Government for information products and to distribute those products to the public.

Formerly, GPO's mission was accomplished through the production and procurement of traditional printing technologies. However, a generation ago we began migrating our processes to electronic technologies, and in 1993 Congress amended Title 44 with the GPO Electronic Information Access Enhancement Act (Public Law 103-40), which requires us to disseminate Government information products online. This Act is the basis of GPO Access, our Internet information service.

Today, GPO is dedicated to producing, procuring, and disseminating Government information products in a wide range of formats—print, CD-ROM, and online. In GPO the Government has a unique asset that combines a comprehensive range of

conventional production and electronic processing, procurement facilitation, and multi-format dissemination capabilities to support the information life cycle needs of Congress, Federal agencies, and the public:

- We provide print and electronic information products and services to Congress and Federal agencies through inplant processes and the purchase of information products from the private sector. For Congress, we maintain a capability to fully support the information product needs of the legislative process, working in close cooperation with leadership offices, committees, Members, and staffs in each Chamber.
- We disseminate Government information to the public in print and electronic formats through a low-priced sales program and a reimbursable program, and to Federal depository libraries nationwide where the information may be used by the public free of charge. We catalog and index Government information products so they can be identified and retrieved by users.
- We also disseminate a massive volume of information online via the Internet with GPO Access. Recent data show that more than 10.5 million documents are retrieved by the public every month using this system. We strongly support the increased dissemination of Government information in electronic formats, and GPO Access today is one of the leading Federal sites on the Internet. Our home page, at www.access.gpo.gov, provides free public access to more than 70 Federal databases from all three branches of the Government, a growing number of agency Government Information Locator Service (GILS) sites, and associated locator and Pathway aids.

We provide all of our services in a non-partisan, service-oriented environment that emphasizes the primacy of the customer's requirements for timeliness, quality, security, and economy. We are committed to achieving the greatest access and equity in information dissemination through printed publications, CD-ROM, and online information technologies. Our electronic and traditional technologies simultaneously enable us to facilitate the re-engineering of information products to satisfy the Government's changing information requirements, and to preserve and protect public access to Government information for all of our citizens.

At the bottom line, our programs reduce the need for duplicative production facilities throughout the Government, achieve significant taxpayer savings through a centralized production and procurement system, and enhance public access to Government information, which is increasingly valuable to all Americans in the Information Age.

More than a century ago, Congress in its wisdom designed a system in GPO for keeping America informed. That system continues to serve a vital purpose today.

FISCAL YEAR 1999 APPROPRIATIONS REQUEST

For fiscal year 1999, we are requesting \$114.2 million for those programs that require annual appropriations directly to GPO. The request includes \$84 million for the Congressional Printing and Binding Appropriation and \$30.2 million for the Salaries and Expenses Appropriation of the Superintendent of Documents.

Our total request is an increase of \$3.5 million, or 3.1 percent, over the level of funding approved for fiscal year 1998. Our fiscal year 1998 funding includes a one-time transfer of approximately \$11 million from our revolving fund to the Congressional Printing and Binding Appropriation. As our budget submission shows on pages I-2 and I-3, GPO's appropriations have remained relatively stable for several years (in fact, declining by 7 percent from fiscal year 1993 through fiscal year 1998), and have declined substantially in real purchasing power.

The Congressional Printing and Binding Appropriation is critical to the maintenance and operation of our inplant capacity, which is structured to serve Congress' information product needs. The appropriation covers the costs of congressional printing such as the Congressional Record, bills, reports, hearings, documents, and other products. Each year, a substantial volume of this work is requisitioned. In fiscal year 1997, more than 1.3 billion copy pages of congressional products were produced at an average cost of less than 4 cents per page, inclusive of all prepress work, printing, binding, and delivery. This appropriation also covers database preparation work on congressional publications disseminated online via GPO Access.

The majority of the Superintendent of Documents Salaries and Expenses Appropriation is for the Federal Depository Library Program (FDLP). While some of the funding for this program is for salaries and benefits, most is for printing and distributing publications (including publications in CD-ROM and online formats) to depository libraries. This appropriation also provides the majority of funding for the operation of GPO Access.

CONGRESSIONAL PRINTING AND BINDING APPROPRIATION

Our request of \$84 million for the Congressional Printing and Binding Appropriation is an increase of \$2.3 million, or 2.9 percent, over the total amount approved for fiscal year 1998, which includes the transfer from the revolving fund. The items covered by the request are as follows:

[In millions of dollars]

<i>Category</i>	<i>Estimated Requirement</i>
Committee hearings	19.7
Congressional Record (including the online Record, the Index, and the bound Record)	18.8
Miscellaneous Printing and Binding (including letterheads, envelopes, blank paper, and other products)	15.4
Bills, resolutions, amendments	12.8
Miscellaneous Publications (including the Congressional Directory, the U.S. Code, and serial sets)	5.2
Committee Reports	3.2
Business and Committee Calendars	2.0
Documents	2.0
Details to Congress	1.8
Committee Prints	1.6
Document Envelopes and Franks	1.5
Total	84.0

Product prices are anticipated to increase by approximately 4.7 percent overall due to the increased costs of employee compensation and benefits, utilities, maintenance, materials, and supplies. We are continuing to work to reduce these costs with savings from technological improvements and adjustments to staffing requirements.

The impact of price increases will be offset by a 1.8 percent reduction overall resulting from decreased workload volume in several product categories. Based on historical data, in the first session of the 106th Congress we expect to see decreases in workload for the Congressional Record, business and committee calendars, details to Congress, document envelopes and franks, committee prints, hearings, and documents. Historical data suggest there will be increases in miscellaneous publications (because of the production of the Congressional Directory and other publications for the new Congress), miscellaneous printing and binding, bills, resolutions, and amendments, and committee reports. While these estimates are based only on historical factors and represent our best estimates as to the projected workload for the first session of the 106th Congress, actual workload may vary.

We have been participating with both the House and the Senate in the development of new legislative information systems that will expand the capability to create and utilize electronic information products in Congress and potentially reduce GPO's printing costs. One objective of these systems is the adoption of Standard Generalized Markup Language (SGML) to permit the submission of machine-readable keystrokes requiring less processing by GPO prior to final production. We support initiatives in both Chambers to facilitate the sharing of information. In addition, we are now placing all Senate Appropriations Committee hearings online.

SALARIES AND EXPENSES APPROPRIATION

Our request of \$30.2 million for the Salaries and Expenses Appropriation of the Superintendent of Documents is an increase of \$1.1 million, or 3.9 percent, over the amount approved for fiscal year 1998. The increase is due to increases in mandatory pay and related costs, price level changes, and workload changes. The component programs covered by the request are as follows:

[In millions of dollars]

<i>Program</i>	<i>Estimated Requirements</i>
Federal Depository Library Program	25.8
Cataloging and Indexing Program	3.5
International Exchange Program	.5
By-Law Distribution Program	.4
Total	30.2

Price level changes and cost increases due to pay raises and related expenses represent \$818,000, or about 73 percent of the requested increase of \$1.1 million. The

majority of this amount, \$570,000, is for price level changes calculated at the assumed rate of inflation for the year, or 2.6 percent. Approximately \$225,000 is for enhancements to GPO Access to facilitate the continuing transition of the FDLP to a predominantly electronic basis. The balance is for capital expenditures for GPO's Library Programs Service.

We are requesting the Appropriations Committees to increase the statutory limitation on travel expenses under the Salaries and Expenses Appropriation from \$150,000 to \$180,000, in order to fund increased travel for depository library outreach, including instruction and training on the use of GPO Access.

BOUND CONGRESSIONAL RECORD

House Report 104-657, accompanying H.R. 3754, the Legislative Branch Appropriations Act for 1997, directed GPO to reduce the distribution of paper copies of the bound Congressional Record beginning with the 105th Congress, and to produce a new CD-ROM format for this publication. A total of \$100,000 was earmarked for the fiscal year 1997 Congressional Printing and Binding Appropriation for a more limited number of printed copies of the bound Record to be distributed at the direction of the Joint Committee on Printing (JCP).

The JCP has directed the distribution of about 205 sets of the bound Record to be funded from GPO appropriations, estimated to cost about \$313,000. This includes \$179,000 from the Congressional Printing and Binding Appropriation and \$134,000 from the Salaries and Expenses Appropriation. In addition, we estimate that about 190 sets will be ordered and paid for by other Federal agencies and the public. Consistent with the direction of House Report 104-657, we plan to produce the sets on demand from an electronic database utilizing high-speed reproduction technology. This strategy will produce the relatively small number of copies required at a much greater savings. We have received the approval of the House Subcommittee on Legislative Appropriations to spend an additional \$79,000 from our fiscal year 1997 Congressional Printing and Binding Appropriation and \$134,000 from the Salaries and Expenses Appropriation for this purpose. Sufficient funds are available for this purpose.

CONGRESSIONAL SERIAL SETS

House Report 104-657 also directed us to reduce the production and distribution of bound Congressional Serial Sets beginning with the 105th Congress. The direction was to convert most sets to CD-ROM format and to limit the distribution of bound sets to regional depository libraries, plus one depository in each state without a designated regional depository (including the District of Columbia), and to international exchange libraries.

We formulated a plan for the implementation of this directive that subsequently was approved by the JCP. The bound Serial Set will be distributed to all designated regional depository libraries and one library in each of seven states that do not have a designated regional depository. In addition, the international exchange libraries, the Library of Congress, the National Archives Library, the Senate Library, the House Library, and the Public Documents Library Collection (now housed within the National Archives and Records Administration) will continue to receive bound versions of the Serial Set. An estimated 105 copies of each volume of the set will be produced and distributed to these recipients. This quantity is 344 copies less per volume than was distributed prior to the 105th Congress (a total of 128 volumes are estimated for a Serial Set for an entire Congress).

The Superintendent of Documents has surveyed depository libraries to allow them the opportunity to add the initial slip distribution of the documents and reports of the 105th Congress in paper format, since the bound Serial Set will not be an option for most of them. In addition, we have accepted the suggestion of the Government Documents Roundtable of the American Library Association to make available copies of the Serial Set title pages (including the contents listing for each volume) to depository libraries that request them. We are also offering the bound Serial Set for the 105th Congress for sale through the Superintendent of Documents sales program.

At this time, it is not possible to create a complete electronic Serial Set with all the requisite capabilities, since many documents and reports are not currently available electronically and are too graphically intense to convert to an electronic format. We will work with the Clerk of the House of Representatives and the Secretary of the Senate, as well as ongoing efforts associated with information systems planning in both Chambers, toward the eventual production of a complete electronic Serial Set.

TRANSITIONING THE DEPOSITORY LIBRARY PROGRAM

We are continuing to transition the FDLP to a predominately electronic basis, as directed by the Legislative Branch Appropriations Act for 1996, and as set forth in the plans contained in the Study to Identify Measures Necessary for a Successful Transition to a More Electronic Federal Depository Library Program (June 1996). The transition process was estimated to require from five to seven years beginning in fiscal year 1996. The transition includes the dissemination of both tangible electronic Government information products, such as CD-ROM's, as well as online databases and locator services provided via GPO Access, our online Internet service. GPO Access is the principal delivery vehicle for online Government information to depository libraries and the public. Current trends indicate that online formats will eventually be the dominant means of electronic dissemination.

A key highlight of the transition process this past year was the development of the "collection management" concept for GPO Access, which establishes that we will manage the various electronic Government information products made permanently accessible via GPO Access as a library-like collection. This concept will consist of four elements: (1) core legislative and regulatory GPO Access products that will reside permanently on GPO servers; (2) other remotely accessible products either maintained by GPO or other institutions with which GPO has established formal agreements; (3) the tangible electronic Government information products distributed to Federal depository libraries; and (4) remotely accessible electronic Government information products which GPO identifies, describes and links to but which remain under the control of the originating agencies. Portions of the collection, other than the core legislative and regulatory GPO Access products, may be maintained at partner institutions, including other Federal agencies, depository libraries, consortia, or other institutions.

In 1997, we established the first partnerships under the collection concept with the University of Illinois-Chicago, the University of North Texas, and the Online Computer Library Center (OCLC) Inc., to handle permanent public access to databases originating with the State Department, the now-defunct Office of Technology Assessment, and the Education Department, respectively. We have also developed a partnership with the Department of Energy for the electronic dissemination of its reports in image format. In a related effort, we are piloting a project with the National Technical Information Service (NTIS) of the Commerce Department to make available certain NTIS image files to depository libraries.

REVOLVING FUND

Operation of the Revolving Fund.—Instead of receiving direct appropriations to cover the cost of the products and services GPO provides, our revolving fund accepts reimbursements from other appropriations and the public that place orders for GPO products and services. The fund pays for work performed prior to receiving reimbursement from the customer. The fund must have sufficient cash to pay private sector printers and GPO operating expenses prior to receiving reimbursement from the ordering agencies or the public. In the case of the sales program, the fund purchases copies of publications for the sales inventory and receives payment when the publications are sold. The fund also makes expenditures for equipment and other capital improvements. The cost of capital improvements is reimbursed gradually to the fund over their useful lives from the benefiting customers. The four programs financed through the revolving fund are plant printing, printing procurement, sales of publications, and agency distribution services. The Congressional Printing and Binding Appropriation is used to reimburse the fund for the cost of services provided to Congress. The Salaries and Expenses Appropriation of the Superintendent of Documents is used to reimburse the fund for the cost of services provided in the distribution of publications as required by law.

Fiscal Year 1997 Financial Performance.—We are pleased to report that GPO's revolving fund generated consolidated net income from continuing operations of \$11.6 million for fiscal year 1997, compared with a loss of \$16.9 million for fiscal year 1996. However, the Department of Labor (DOL) has revised its estimate of GPO's long-term liability for workers' compensation, which could cause an increase of \$23.9 million in accrued expenses for fiscal year 1997. We have requested a clarification of this estimate from DOL. In addition, the General Accounting Office has stated, in decision B-259508 (April 4, 1996), that GPO, pursuant to section 8147c of Title 5, U.S.C., is not required to pay an additional fee to the DOL's Office of Workers' Compensation Programs (OWCP) to cover its administrative costs. We have been seeking to obtain a refund of the amounts erroneously collected by the OWCP.

DOD Payment Issues.—We have been experiencing payment problems with one of our largest customer agencies, the Defense Department. In our view, these problems

stem largely from the creation of the Defense Printing Service, now known as the Defense Automated Printing Service (DAPS). At the end of fiscal year 1992, GPO's accounts receivable from DOD were about \$32 million. Unpaid DOD invoices over 60 days old amounted to about \$9 million, or 28 percent of the total. Since 1993, total receivables and delinquencies from DOD have been increasing. As of December 31, 1997, total DOD receivables reached \$52.7 million with unpaid invoices over 60 days amounting to \$24.3 million, or 46 percent. Since then we have received several payments from DOD, reducing their receivables to approximately \$37 million. Although we have made several changes to our accounting system to assist DOD in improving their payment record, none of these initiatives has been fully implemented by DOD. DOD's payment record is directly impacting our cash flow and creating the prospect of a cash shortage in our revolving fund. In an effort to streamline the accounting practices at DOD and end the late payment problems, GPO has developed an automated deposit account system that virtually eliminates GPO invoices. If DOD would use deposit accounts, it would save the taxpayers millions of dollars annually.

GAO Management Audit.—We are currently cooperating within the GPO management audit ordered by Congress in House Report 105–254, accompanying H.R. 2209, the Legislative Branch Appropriations Act for 1998. The audit is being conducted by Booz-Allen & Hamilton, Inc., under contract with the General Accounting Office. We have also implemented reforms to our sales program to assure that all disposals of excess stock comply with established guidelines.

Year 2000 Compliance.—We are cooperating with the General Accounting Office in its efforts to assess the status of year 2000 readiness in all legislative branch agencies, following the direction of the Chairman of this Subcommittee in a letter dated October 30, 1997. Our proposal to the JCP to bring our mainframe operating system into year 2000 compliance has been approved. We have formed an internal year 2000 program management office to work with the GAO, and have appointed year 2000 coordinators throughout GPO. We are continuing to conduct a review of all GPO computer systems to determine which systems will be converted, replaced, or retired. We estimate that the total cost of assuring year 2000 compliance at GPO, including the cost of all associated computer improvements that are either ongoing or planned—and which also must be year 2000 compliant—will be \$8 million this fiscal year and \$4 million in fiscal year 1999. These costs will be financed through our revolving fund. We are confident that the steps we are taking now will ensure the continuity of product and service provision to Congress, Federal agencies, and the public.

Future Capital Expenditure Requirements.—Capital expenditures for major building repairs and maintenance, information systems, and production equipment will be a considerable drain on the revolving fund. GPO's buildings are old and require substantial maintenance. These services are not provided by the Architect of the Capitol but are financed by GPO. Over the next two years, necessary capital investments include about \$6 million for replacement of air conditioning equipment. Elevator, roof, and electrical systems need repair, which will cost additional millions of dollars over the next few years. Information systems also account for major capital investment requirements. This year we will be implementing an information processing system for the Superintendent of Documents, at a cost of about \$10 million. We will replace our mainframe computer with an enterprise server that will be year 2000 compliant, at a cost of about \$1.8 million. As noted above, other significant expenditures will be required to bring all GPO computers and software into compliance with year 2000 requirements. Production equipment requirements include \$1.6 million for computer-to-plate systems and \$3.6 million for a passport printing and binding line. These expenditures will have to be funded either through GPO's revolving fund or through an alternative mechanism such as a line item appropriation, which was how GPO's air conditioning improvements during the 1970's were funded.

Statutory FTE Limitation.—For fiscal year 1999, we are requesting the deletion of the statutory limitation on our full-time equivalent employment (FTE's). GPO has reduced employment by more than 25 percent since early 1993. This reduction was accomplished through attrition and successfully lowered our costs while preventing interruptions in service to Congress, Federal agencies, and the public. However, some critical GPO areas, including those that serve Congress, are now fully reduced and cannot withstand further reductions without impairing performance and service provision. GPO is now at its lowest employment level in this century. Allowing us to manage our FTE resources within the constraints of our available funding, rather than under a statutory limit, will give us the flexibility necessary to continue providing essential services.

Mr. Chairman and Members of the Subcommittee, this concludes my prepared statement. I would be pleased to answer any questions you may have.

REVOLVING FUND

Senator BENNETT. Thank you. Did GPO report losses in fiscal year 1997, and do you estimate any for fiscal year 1998?

Mr. DiMARIO. We did report losses in fiscal year 1997, as a result of a recalculation that was done of obligations to the Department of Labor, and I think Mr. Guy may be able to speak more specifically to those.

Mr. GUY. In fiscal year 1997, the Department of Labor indicated that we should increase our liability under workers compensation by about \$25 million. If we have to do that, and we are looking at that very carefully, then that may cause us to have to report a loss in 1997. If we do not have to increase our liability by that magnitude, then we would not be reporting a loss for 1997. As far as this year, we have lost some money in the revolving fund, to date. We are hoping that we can turn that situation around.

Senator BENNETT. Let me go back to the \$25 million. Is that a one-time hit, or is that an indication you have to adjust your allocation for the liability for all future years?

Mr. GUY. It is an adjustment of our estimated liability in the future. The annual amount that we pay is about \$6 million a year, and we have already established a future liability of about \$25 million. The Department of Labor has given us figures saying that we need to double that estimate of our future liability.

Senator BENNETT. But I am still not understanding. Can you get to the future liability of, say, \$50 million, total, assuming they are correct, and I understand you are challenging their number—

Mr. GUY. Yes, sir.

Senator BENNETT. Let us assume for a moment they are correct with the \$50 million number, can you get there with a one-time hit of \$25 million, or are you saying you are going to spread the \$25 million out over a number of fiscal years, so there will be, say, a \$4 million hit for 1997, and so on, until you get—

Mr. GUY. That is correct. We would actually pay it on a cash outlay basis over a number of years into the future, but they are telling us to recognize that liability now. It is a change in estimate at this time, but we would be able to pay it out over—

Senator BENNETT. On your books, do you have it reserved for the liability?

Mr. GUY. We do not have a cash reserve for it, no, sir. It would have to be paid out of available revolving fund cash. We have reported so far a \$25 million liability, and we have taken that out of fund equity, as we report it.

Senator BENNETT. Do you have an existing \$25 million—

Mr. DiMARIO. Yes, sir; our revolving fund has a substantial amount of assets. Against the total value of the revolving fund we have certain obligations that are booked against it. The \$25 million is among those obligations. The total revolving fund assets includes a cash balance in Treasury, like a bank account. There are limits to the amount of available cash that we have. The fund is used to pay our contractors and others before we get reimbursed for the work from the agencies.

Senator BENNETT. I understand that.

Mr. DiMARIO. I think the answer is, in my mind at least, there is not a specific cash reserve for the Department of Labor issue, but we do have sufficient resources in the revolving fund for that obligation.

Senator BENNETT. Well, let me understand it. I do not mean to get into arcane issues of accounting.

Mr. DiMARIO. Well, our accountant——

Senator BENNETT. But how big is the amount of cash in your revolving fund?

Mr. GUY. We have a cash balance of about \$75 million.

Senator BENNETT. OK. Now, what portion of that is encumbered with requirements like this?

Mr. GUY. I would say that about one-half of that is encumbered, and we feel that it is other people's money, in that sense, and, in fact, GAO told us that some of that cash is not available.

Senator BENNETT. Now, can you use any of that in an emergency, even though it is encumbered, in effect, borrow it?

Mr. DiMARIO. Some we can, and some we cannot. There are moneys that we, as an example, have received from customers against deposit accounts, and have not yet received requisitions for work. That money is not available for us to borrow. It is still the customer's money; it is just on deposit with us.

At a point at which we receive an order the money becomes available to us even though we have not yet paid a contract or expended that money. We would be able to use that money.

Where we have sold subscriptions and have not yet fulfilled the subscriptions, we have those moneys, and some of those may be limited in terms of what we can do, and GAO has spoken to that specific limitation.

Senator BENNETT. Are you earning interest on those balances, even though you cannot touch them?

Mr. DiMARIO. No, sir; they are just accounts against the Treasury of the United States.

YEAR 2000 COMPUTER PROBLEM

Senator BENNETT. I see. I see. How much in your current budget do you think is going for the year 2000 problem?

Mr. DiMARIO. For fiscal 1996 it was estimated to cost \$328,000; in fiscal 1997, it was \$5.9 million; and in fiscal 1998, the current budget, it is \$8.2 million. We have scheduled work over a period of time, reflecting what we believe is going into the year 2000 problem. Most of that money is previously allocated money for ongoing programs.

Senator BENNETT. What incremental costs do you have? I understand you are going to solve the year 2000 problem in part with money that you would have spent anyway——

Mr. DiMARIO. Yes, sir.

Senator BENNETT [continuing]. Only you are dedicating it to the year 2000 problem, but there has to be some incremental money on top of that. Do you have any, and do you know how much it is?

Mr. DiMARIO. In a ball park sense, based on what we have at this point, we believe that we are approaching \$19 million in total costs. Of those costs most are for upgrading existing systems. Most

projects have been approved, like the integrated processing system for the Superintendent of Documents sales program. That has already been delivered by the contractor, and is, at this point, being tested. We are training on that. We have approval, as I mentioned in the statement, for a new mainframe. That is about \$1.8 million.

So when you get to the incremental costs out of the \$19 million in total costs for new hardware and software, not associated with either existing labor costs or ongoing projects, we are talking about \$3.5 million. That is our best estimate.

Senator BENNETT. OK.

Mr. MANSKER. Senator, if I could backup just a moment.

Senator BENNETT. Sure.

CASH REQUIREMENTS

Mr. MANSKER. When you were talking about the revolving fund, I do not want us to leave with the impression that of the \$75 million in the revolving fund, we only have categories of restricted funds.

The cash balance in the revolving fund is not readily available where we can just feel free to spend it, because we have also a committed unrestricted amount of funding for other things that we would have to borrow against, as you say, to get readily available cash to operate.

Our last report said, from our comptroller's office, that the uncommitted, unrestricted funds that we have to use for future investment and capital expenditures, and so forth, is actually a negative figure in January. We are borrowing against unrestricted committed funds at this time, and one of the reasons for that, if I might get a little historical, is the \$11 million that was——

Senator BENNETT. That was going to be my next question.

Mr. MANSKER. That has put a very severe cramp on our availability of funds for future capital expenditures. Right now we are actually in a negative posture. We think that will come around, to show a better situation, when Congress gets in full gear, which they have not been for the first 5 months of our fiscal year; but, we will start getting income to generate that figure up into a positive mode. But——

Senator BENNETT. Do you mean Congress will require more services?

Mr. MANSKER. Correct.

Senator BENNETT. OK.

Mr. MANSKER. Correct. And we could charge against the CP&B fund. But right now, I would not want to leave you with the impression that we have \$40 million to spend for capital expenditures; we do not have that. The cash availability for future expenditures is very severely cramped.

Mr. DiMARIO. The revolving fund itself was established primarily to take care of the peaks and valleys in printing, and also to provide for capital funding. Over a period of time, we have depleted that fund substantially, so we have reached a point where we are very reluctant to put obligations against it that we believe otherwise should be funded through a specific appropriation.

Senator BENNETT. I can understand that.

ADDITIONAL COMMITTEE QUESTIONS

I have no further questions. Thank you very much. We appreciate the hard work you have put in, and the service you have provided Congress.

Mr. DiMARIO. Thank you very much.

Senator BENNETT. Thank you.

[The following questions were not asked at the hearing, but were submitted to the Office for response subsequent to the hearing:]

ADDITIONAL COMMITTEE QUESTIONS

Question. Does GPO estimate losses for fiscal year 1998?

Answer. Through January of the current fiscal year, the revolving fund lost \$7.8 million on revenue of \$258.3 million. GPO's long-term financial goal is to generate a small net income of about 1–2 percent in order to allow for capital replacement. This goal may be very difficult to attain this year, in view of the results to date. GPO's plans to improve financial results include major information systems upgrades, investments in more productive equipment and technology, a strengthened marketing program, and continued cost reductions. Many important external factors are largely beyond GPO's control, such as congressional workload, compliance with printing statutes, and paper prices. Rate adjustments may also be required.

Question. How much has GPO included in its budget request for the year 2000 conversion?

Answer. For fiscal year 1999, we estimate that the year 2000 conversion cost for all GPO activities will be \$4,390,500 in the revolving fund.

Question. What is the status of the ESOP language that GPO requested last year and was going to work with the Commerce Committee to pass?

Answer. GPO anticipated that legislation would be passed in the last session of Congress to include GPO in the National Energy Conservation Policy Act provisions authorizing energy savings performance contracts. Staff from the House Committee on Commerce were in contact with GPO regarding this effort. However, this legislation was not enacted and GPO is not aware of any current efforts in this area.

Question. In response to Mr. DiMario's letter of November 25, 1997, transmitting the Inspector General's Semi-annual report to Congress, his letter states that GPO has initiated some corrective actions on all four reportable conditions from GPO's fiscal year 1995 financial statements. Please note for the record what corrective actions GPO has not taken identifying where staffing constraints or operating priorities have limited GPO's ability to completely resolve the reportable condition. Please note where applicable what resources would be necessary to resolve the condition.

Answer. Management's position is that two corrective actions recommended by Arthur Andersen have not been fully implemented. They would require that a centralized computer security function be established to strengthen authorization and access controls over applications and to strengthen contingency plans and backup procedures for critical EDP systems. Full implementation of these recommendations would require additional staffing and overhead cost. Moreover, a complete back-up is not feasible at present. Additional time will be required to replace old legacy systems for which a practical off-site back-up is not available because the technology is obsolete.

Both Booz-Allen & Hamilton and KPMG Peat Marwick are assessing the status of GPO's implementation of corrective actions related to these reportable conditions. The Booz-Allen report draft is due to GPO for comment in April 1998, and the KPMG review will be delivered in final by then.

Question. Has the Inspector General completed his year 2000 assessment? If so, please provide the assessment for the record.

Answer. The Inspector General has not yet conducted a formal assessment of the program. At the time of the last semi-annual report, the Acting Inspector General indicated that the Office of the Inspector General (OIG) was preparing an advisory report to assess the current posture of GPO's efforts to address the year 2000 problem. Subsequently, the OIG became aware that GAO initiated a review. The Inspector General Act requires that the OIG avoid duplicating the effort of GAO.

Question. Does the year 2000 problem present any risks to GPO's ability to print and distribute the Congressional Record?

Answer. No, the software used in the processing of the Congressional Record was repaired, tested, and verified as year 2000 compliant in February, 1998. The hardware utilized for Record processing was tested and found to be year 2000 compliant.

Question. What is your estimated total cost to address the year 2000 problem? What are the cost estimates for each of GPO's mission critical systems? What has been spent to date on your year 2000 effort? What is requested in your fiscal year 1999 budget? What is your cost estimate to complete year 2000 work beyond fiscal year 1999?

Answer. At this time, we estimate that our total cost to address the year 2000 problem will be about \$19.3 million. The cost estimates for each of GPO's mission critical systems are indicated in the attached schedule, which shows the breakout of cost by fiscal year for the various replacements, upgrades, and repairs.

Through fiscal year 1997, a total of \$6.2 million has been incurred for our year 2000 efforts. During fiscal year 1998, we estimate another \$8.2 million will be spent. Our fiscal year 1999 budget estimates for the revolving fund include a total of about \$4.4 million for Year 2000 efforts. At the present time, our cost estimates for year 2000 work beyond fiscal year 1999 are about \$431,000.

Question. Has GPO completed a documented plan for making its mission critical systems year 2000 compliant, including schedules for renovating, validating and implementing each mission critical system. If so, please provide this plan for the record.

Answer. GPO has issued an agency directive that states its year 2000 plan for making all mission critical systems year 2000 compliant. A copy is attached. We are also submitting two schedules which show for each mission critical system the target date for completion and implementation for all repairs and replacements.

Question. Has GPO developed a contingency plan in the event of systems failures on January 1, 2000? If so, please provide a copy of the plan for the record.

Answer. GPO's recently issued directive for the year 2000 establishes the requirement for the development of contingency plans for all mission critical systems with a target date for completion beyond March 31, 1999. The responsible managers are currently preparing those plans for submission to the year 2000 Program Management Office for consolidation in an overall GPO Contingency Plan. We will be glad to submit this overall plan to the committee when it is finished.

Question. Please explain how GPO's printing procurement program runs a deficit? Isn't there a surcharge placed on each printing job to recover the cost of the program? Does GPO have a plan for turning this situation around?

Answer. GPO's costs to administer the printing procurement program are recovered from a surcharge on the cost of the procured printing. The surcharge will recover GPO's costs if the dollar volume of printing is about \$500 million per year. While the program operated in the black during fiscal year 1995 and fiscal year 1996, it has had losses since then because workload and paper prices declined. Some agencies are sending less of their printing to GPO, which they either produce in-house or purchase themselves, at higher cost and, in certain cases, in conflict with law. GPO's plan for turning this situation around includes the following elements:

- Increased marketing to our customers.
- Increased interaction with contractors and agencies to develop new product lines, especially in the digital arena.
- Creation of simplified purchasing agreements.
- Continued cost reduction at GPO and information systems development, including expanded use of the Internet for electronic commerce.

Question. How much of the current GPO facility on North Capital St. is actually in use for the printing, binding, and storage of materials and products used in government printing? What are GPO's costs of upkeep for any unused portion as well as used portion of the building?

Answer. Space within the current facility at North Capitol Street is assigned to a program or is considered common area. Common areas include Harding Hall, the Cafeteria, the Credit Union, the Blind Man Stand, all aisles, halls, support columns, shafts, restrooms, and elevators.

The total square footage of the 4 building Central Complex is 1,466,000 square feet. Total space assigned to GPO Programs, including administrative functions is 966,000 square feet. The space is assigned as follows:

	<i>Square Feet</i>
Plant Production (including Materials Management Service and Engineering)	715,000
Printing Procurement	26,000
Sales Program	66,000
S&E Programs	43,000

Administrative Areas (includes Customer Service)	<i>Square Feet</i> 116,000
Total	966,000

The cost for cleaning used assigned space is approximately \$2.1 million per year. In addition, there are about 500,000 square feet classified as common area. The estimated cost of cleaning the common portions of the building is approximately \$1.1 million annually. The unassigned space is necessary for common areas that indirectly support operations.

We estimate that approximately 27,500 square feet of the assigned space is currently unused because of attrition in the workforce. We are considering the lease of space to other government agencies that may need it for small groups. The cost to upkeep unused assigned areas is minimal.

ATTACHMENT 1.—GPO INSTRUCTION 705.26, MARCH 16, 1998

GPO YEAR 2000 PROGRAM GUIDE

Purpose.—To communicate general policies and procedures to define a process for implementing a Year 2000 Program throughout the Government Printing Office (GPO). It is intended to provide insight, recommendations, and a uniform structured approach for planning, implementing, managing, and evaluating GPO's Year 2000 Program to ensure that all mission critical systems will be fully operational in the year 2000.

Background.—Since their inception, computer systems have typically used two digits to represent the year in an effort to conserve valuable resources and reduce operating costs. However, when the year 2000 arrives, these systems may not be able to distinguish 2000 from 1900, 2001 from 1901 and so on. With less than two years left to accomplish this enormous project, GPO must embark upon this substantial effort and apply all the needed resources to successfully accomplish this project well within the fast approaching deadline.

The year 2000 compliance is defined as the ability of information systems to accurately process a date from, into, and between the twentieth and twenty-first centuries, including leap year calculations. The year 2000 date conversion problem is not unique to GPO and presents a global challenge to the entire information technology industry. Every organization, whether federal or private, must ensure that its information systems are fully year 2000 compliant well before December 31, 1999. While the year 2000 problem is not technically challenging, it is massive and complex. The date problem may not be solely confined to application software, but may also exist in hardware (mainframes, minis, desktops, file servers, etc.), firmware, operating systems, compilers, languages, libraries of program software, database management systems, telecommunication monitors, any equipment containing microchip, etc.

Scope.—This guidance document addresses the conversion or replacement of all Federal Information Processing (FIP) resources that are affected by the year 2000 problem. The term FIP resources includes hardware (mainframes, minis, desktops, file servers, etc.), software (operating systems, compilers, languages, libraries of program software, data base management systems, application systems, running on different platforms), firmware, microchip components, operating components, etc.

Policy.—It is the policy of GPO that information is a valuable resource in support of its mission, and as such, must be managed efficiently, economically, and effectively. As a valuable resource, information must be planned, budgeted, controlled and managed; and to that end, it is the intent of GPO to establish, implement, and actively maintain an agency-wide Year 2000 Program to ensure GPO meets the challenge of the new millennium and is year 2000 compliant by October 1, 1999.

The GPO Year 2000 Program will encompass five critical phases: (1) awareness; (2) assessment; (3) renovation; (4) validation; and (5) implementation.

In that context the GPO shall ensure that:

All GPO and/or external major systems/components supporting core business activities or processes are certified as in compliance with year 2000 requirements or are converted or replaced to become year 2000 compliant by October 1, 1999.

All information systems and components in each business area are inventoried, and priorities are assigned to individual applications so that a year 2000 compliance program plan can be developed.

All future acquisitions of FIP resources for GPO or its customers are year 2000 compliant.

All conversion or replacement activity is performed to the extent possible in accordance with the General Accounting Office (GAO) conversion model outlined in the GAO's guidance document titled "Year 2000 Computing Crisis: An Assessment Guide" dated September 1997. The conversion or replacement activity should follow all appropriate phases in the GAO guide.

Year 2000 Program activities are given top priority. All new system development activity should be assigned lesser priority unless it replaces a non-compliant application or is needed to fulfill legal, statutory, or mission-critical office requirements. Similarly, existing system modification/enhancement activity should be limited to production problems, or to fulfill legal, statutory, or mission-critical office requirements.

Organizations are provided adequate resources to meet deadlines, including interdepartmental reassignment of resources or contracting out if necessary.

New information technology productivity tools are acquired to facilitate and expedite the conversion, replacement, and testing activities, if applicable.

Each organization establishes a validation phase testing group(s) which is different than the one(s) that performed the renovation, including any work that was contracted out; and that the validation groups certify applications for year 2000 compliance.

All GPO organizations providing information processing services to various customer entities shall develop software bridges to accommodate non-compliant data exchanges with their external customer entities.

Responsibilities.—The GPO Year 2000 Program will be administered through a closely coordinated network of management and supervisory officials, with the Director of the Policy Coordination Staff serving as the Year 2000 Program Manager. The principal management official responsible for overall GPO Year 2000 Program is the Deputy Public Printer. Policy guidance provided by the Deputy Public Printer through the Year 2000 Program Management Office, GPO's executive management, managers in core business areas, and personnel involved in the year 2000 conversion/replacement effort will work together in harmony and bring GPO's Year 2000 Program to a successful conclusion by October 1, 1999.

The following is a detailed description of the various duties and responsibilities for the GPO Year 2000 Program.

—*Deputy Public Printer.*—The Deputy Public Printer is responsible for ensuring the development, implementation, and maintenance of a GPO-wide Year 2000 Program and ensuring compliance with applicable Federal laws and regulations and internal GPO policies and procedures.

—*Policy Coordination Staff (PCS).*—The Director of PCS will serve as the Program Manager for the GPO Year 2000 Program and provide oversight and administration to the GPO Year 2000 Program Management Office. The Director is responsible for communicating GPO Year 2000 policy guidelines, coordinating the year 2000 activity at the agency-wide level, and preparing status reports for GPO executive management and other agencies, as required. The Year 2000 Program Management Office, under the direction of the PCS Director, is responsible for:

- Coordinating the planning and development of the GPO Year 2000 Program;
- Serving as the liaison to the various designated year 2000 coordinators for all of GPO's Year 2000 Program activities to ensure requirements and needs are addressed by GPO organizations to certify that GPO is year 2000 compliant by October 1, 1999;

- Serving as the principal advisor to the Public Printer and the Deputy Public Printer concerning year 2000 policy and direction; and

- Developing and recommending GPO's Year 2000 policy, standards, and procedures for the Public Printer's and the Deputy Public Printer's approval.

—*Office of the Inspector General (OIG).*—In carrying out its statutory requirements, the OIG may conduct periodic reviews as desired to ensure that the project activity is following the best program management practices, conforms to the policy guidelines, and is on target to meet the project deadline.

—*Department/Service/Staff/Office Heads.*—Department/Service/Staff/Office heads will carry out the intent of this Instruction within their areas of responsibility. For the Year 2000 Program to be successful and accomplished in a time and resource constrained environment, it will require the total support and commitment of management and transcend organizational boundaries. In that regard, Department/Service/Staff/Office heads are responsible for certifying that all GPO and/or external major systems/components supporting core business activities or processes within their areas of authority are in compliance with year 2000 requirements or are converted or replaced to become year 2000 compliant by October 1, 1999. This responsibility can best be accomplished by:

- Appointing an employee(s) as designated contact point(s) for all year 2000-related matters to assist in the overall assessment, renovation, validation, and implementation of the program in their specific areas of responsibility;
- Actively participating to resolve any year 2000 problems;
- Elevating the visibility of the program within their organizations;
- Adhering to status and compliance reporting;
- Providing full cooperation with the Year 2000 Program Office;
- Ensuring that year 2000 requirements and needs are properly defined, including reviewing and maintaining an inventory of existing hardware, software, and support agreements for their specific areas to make certain that year 2000 compliance is accomplished by October 1, 1999;
- Monitoring the effectiveness of the Year 2000 Program efforts in their area of responsibility;
- Developing realistic contingency plans, including the development and activation of manual or contract procedures, for all mission-critical systems/applications which are not year 2000 compliant by March 1999, to ensure the continuity of GPO's critical products and services; and
- Identifying and reporting the cost of all efforts and resources used to achieve year 2000 compliance for their systems and applications.

Effective Date.—This Instruction is effective upon issuance.

Inquiries.—Inquiries concerning this Instruction should be directed to the GPO Year 2000 Program Manager on 202-512-0263.

MICHAEL F. DiMARIO,
Public Printer.

Total number of agency systems	107
Total number of mission-critical systems	56
Number already compliant	11
Number being replaced	9
Number being repaired	22
Number being retired	14

	Milestones for mission-critical systems	No. completed	Percent com- pleted
Assessment	10/98	38	68
Renovation	1/99	12	21
Validation	2/99	11	20
Implementation	3/99	11	20

Cost

Fiscal year:	
1996	¹ \$342,545
1997	² 5,886,340
1998	² 8,237,800
1999	4,390,500
2000	431,000
Total	19,288,185

¹ Cost figures for fiscal year 1996 include funds for internal costs for the Integrated Processing System (IPS) and the Work In Process (WIP) system.

² Cost figures for fiscal year 1997 and fiscal year 1998 include funds for Integrated Processing for Documents (\$7 million) and the conversion of the Regional Printing Procurement Offices from system 36's to a PC based network (\$1.5 million). These projects were planned before Y2K efforts but are included in the Y2K Program as replacements.

UNITED STATES GOVERNMENT PRINTING OFFICE Y2K COST BREAKDOWN
[As of March 19, 1998]

Description	Fiscal year—				Total
	1996	1997	1998	1999		2000
OIRM					
OIRM (Repair Programs)	\$47,805	\$126,400	\$385,000	\$227,200	\$786,405
Integrated Processing System (IPS)		5,000,000	2,000,000		7,000,000
IPS—Internal Cost	41,400	259,500	174,000		474,900
Engineering—IOTS Replacement		54,000	149,800	70,000	\$343,800
Mainframe/OS Replacement				391,400	747,400
General Ledger (G/L)			203,000	120,000	328,000
Probe Replacement (Data Collection)			424,000		424,000
Work In Process (WIP)	239,000	286,900	100,000		625,900
Upgrade Banyan Servers			50,000		50,000
Total OIRM	328,205	5,726,800	3,485,800	808,600	10,780,405
Production					
PEPS (Repair Programs)		117,450	308,700	38,900	465,050
Production (Repair Programs)			629,000	791,000	1,420,000
Total Production		117,450	937,700	829,900	1,885,050
GPO-Wide					
NT Network Conversion			900,000	672,000	1,572,000
Replace Workstations (Approx. 960)			640,000	1,280,000	1,920,000
PPD System 36 Replacement			1,500,000		1,500,000
IG Network Replacement	14,340	42,090	49,300	50,000	155,730
Y2K Program Office and Coordinators			725,000	750,000	1,475,000
Total GPO-Wide	14,340	42,090	3,814,300	2,752,000	6,622,730
Agency Totals					
	342,545	5,886,340	8,237,800	4,390,500	19,288,185

ITEMIZED SYSTEMS	Calendar Year 1997												Calendar Year 1998												CY 1999					
	1st Q			2nd Q			3rd Q			4th Q			1st Q			2nd Q			3rd Q			4th Q			1st Q		2nd Q			
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
OURM's Responsibility																														
APCS																														
API																														
GBLS																														
MMPCS																														
RICS																														
ABLS																														
GSPS																														
MPCF																														
PICS																														
PCCS																														
COST																														
VOPPS																														
PROBE (Host Processing)																														
BILLING (On Line and Batch)																														
OWC AMS																														
ACCURED EXPENDITURES																														
CONGR SOURCE REPORTING																														
ACSYS																														
DDIS																														
NRCS																														
AUTOMATED LEAVE CARD																														
EARNINGS																														
EEO REPORTING																														
PAYROLL PROCESSING AND REPORTING																														
PERSONNEL																														

	Calendar Year 1997				Calendar Year 1998				CY 1999									
	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q	4th Q						
ITEMIZED SYSTEMS	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
<i>Production's Responsibility</i>																		
BDDS																		
CBD																		
SPECIAL APPLICATIONS																		
MCCS																		
GPO ACCESS																		
PEPS																		
CONGR BILL																		
CD ROW SYSTEM																		

**Y2K SYSTEMS REPLACEMENT
(Target Dates For Y2K Compliant Implementation)**

	Calendar Year 1997				Calendar Year 1998				CY 1999									
	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q	4th Q						
ITEMIZED SYSTEMS	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
<i>OIRM's Responsibility</i>																		
WIP																		
PROBE (Data Collection)																		
GENERAL LEDGER																		
INTEGRATED PROCESSING SYSTEM																		
MAINFRAME REPLACEMENT																		
BANYAN NETWORK UPGRADE																		
JOTS (Engineering)																		
<i>Production's Responsibility</i>																		
CONGRESSIONAL RECORD INDEX																		
DEC NET UPGRADE																		
NET NETWORK CONVERSION																		
PRINTING PROCUREMENT SYSTEM 36																		

QUESTIONS SUBMITTED BY THE COMMITTEE ON RULES AND ADMINISTRATION

GPO FINANCES

Question. At the end of fiscal year 1997 there was approximately \$31 million in unobligated funding for Congressional Printing and Binding. Based on GPO's experience over the past several years, wouldn't it be more reasonable to propose a Congressional Printing and Binding appropriation of around \$60 million, as opposed to the \$84 million contained in GPO's fiscal year 1999 budget submission?

Answer. The \$31 million was unexpended but was obligated to pay for congressional work that remained uncompleted or unbilled at year end. The requested level is necessary to avoid losses in fiscal year 1999 due to congressional work. The requested level is 6 percent below the actual expenditures against the fiscal year 1993 appropriation. GPO prepares estimates of fiscal year requirements for printing and binding based on historical data. The data is adjusted for cyclical trends such as first and second sessions of Congress and first year of a presidential administration term. The volume of Congressional Printing and Binding requirements for fiscal year 1997 was at an exceedingly low point.

Question. How much of that \$31 million in unobligated funding for Congressional Printing and Binding remains unobligated? If the amount is less than \$31 million, please provide a detailed accounting of its use.

Answer. At the end of fiscal year 1997 the Congressional Printing and Binding (CP&B) Appropriation account had an unexpended but obligated balance of \$31 million. We estimated that the \$31 million would be required to complete the remaining 2,100 orders for which obligation were established in fiscal year 1997.

The fiscal year 1997 CP&B account has made payments totaling \$19 million since September 1997. Details of those expenditures are as follows:

Fiscal year 1997 congressional printing and binding

[Expenditures, Oct. 1, 1997 through Feb. 28, 1998]

	<i>Amounts</i>
Congressional Record Publications:	
Daily Record	\$7,810,674
Microfiche Record	5,815
Electronic On-Line Record	95,626
Record Index	45,689
Record Indexers	53,040
Subtotal	8,010,844
Miscellaneous publications	460,437
Miscellaneous printing and binding	2,290,629
Details to Congress	408,414
Document envelopes and franks	111,263
Business and committee calendars	242,614
Bills, resolutions, and amendments	2,894,602
Committee reports	556,031
Documents	518,207
Hearings	3,521,784
Committee prints	147,096
Total expenditures	19,161,921

This \$19 million expenditure leaves a balance of \$12 million in the CP&B Appropriation account to allow for the completion of Congressional work which originated in fiscal year 1997.

Question. You note that the Government Printing Office (GPO) generated a consolidated net income from continuing operations of \$11.6 million for fiscal year 1997. You further note that this net income occurred primarily as a result of GPO fully recovering its costs as required by law. Please tell the committee if GPO fully recovered its costs in all areas of operation. If it did not, then please specify which areas over-recovered, which under-recovered, and which broke even.

Answer. GPO did not recover all of its cost in each area of operation. The GPO plant showed a gain of \$12.3 million. During fiscal year 1997, GPO made an accounting adjustment to recover the portion of prior years' unrecovered cost associated with printing for Congress and the printing of publications for depository libraries, which resulted from the congressionally-mandated freeze on GPO plant rates. Congress had appropriated sufficient funds to cover all the cost but GPO was

prevented from billing the total cost during the prior years due to the rate freeze. The amount of the adjustment was \$12.8 million. Since the books were closed for the prior years, the proper accounting treatment was to record this money as current year income. This adjustment accounts for the entire gain in fiscal year 1997.

The Regional Printing operation under-recovered its cost by \$544,000. The Printing Procurement program under-recovered its cost by \$2.3 million, which is four-tenths of one percent of total program revenues. The Sales of Publications program over-recovered its cost by \$1.3 million and the Agency Distribution program over-recovered its cost by \$41,000.

Question. If GPO fully recovered its costs in fiscal year 1997, then why does the agency's year-end financial overview show net income of \$12.28 million for the printing plant? Did GPO over recover from the Congress, or from in-house printing done for other agencies of the Federal government? Why and how was net income generated in this particular area of GPO's operation?

Answer. The accounting adjustment of \$12.8 million made to recover prior years' cost was credited to the plant since the plant performed the work. GPO did not over-recover from the Congress or from executive branch agencies. In fact, the rate freeze caused the revolving fund to incur losses for 5 years because GPO was prevented from raising prices and therefore was unable to use the traditional mechanisms to fully recover its costs during those years. Net income was generated in plant operations due to the accounting adjustment for prior years amounting to \$12.8 million.

Question. For the last several years GPO has reported "under-recovery" of costs for Congressional Printing and Binding. How can this be, particularly in light of the requirements of Title 44 that the Public Printer fully recover the costs for this service?

Answer. The under-recovery of cost for Congressional Printing and Binding was due to the rate freeze which prevented GPO from billing its total cost through the established rate structure. In addition, congressional workload decreased which caused GPO's revenue to drop, thereby further exacerbating the under-recovery of cost condition.

Question. Please explain how it is that GPO's printing procurement program runs a deficit? Isn't there a surcharge placed on each printing job to recover the cost of the program? Does GPO have a plan for turning this situation around?

Answer. GPO's Printing Procurement Program has recently run a deficit due to a decline in workload. GPO's pricing policy is to add \$5 plus six percent to the commercial cost of the job to fully recover program costs. In recent years, executive agencies either have reduced their printing requirements or have chosen to bypass GPO and print on their own. The impact on GPO is less revenue, which causes the Printing Procurement Program to run a deficit. GPO is actively marketing its services in an attempt to bring executive agency printing back to the Printing Procurement Program, where customers can receive the best product at the lowest possible price. If executive agencies continue to bypass GPO, an increase to the surcharge may be warranted.

Question. In the area of the SuDocs, is the excess funds from the sale of publication program used to help offset the cost of the depository library program?

Answer. Excess receipts from the sale of publications are not used to offset the cost of the depository library program. Excess receipts are held by the revolving fund as retained earnings for capital improvements and to absorb possible future under-recoveries. In the past, excess receipts from the Sales of Publications Program were used to supplement the Salaries and Expenses Appropriation. Special appropriation language required GPO to do this. The last year this occurred was fiscal year 1990.

Question. Please tell the Committee what GPO's average daily cost for personnel is—assume a five day work week, and 52 weeks a year.

Answer. The average daily cost for personnel is \$768,000, assuming five days a week, 52 weeks a year.

REGIONAL PRINTING PLANT

Question. Last year GPO closed all but one of its regional printing plants, the Denver plant. Why wasn't the Denver plant closed, too, and the printing from this plant outsourced to the private sector?

Answer. The Denver plant remains open to produce classified documents for agencies who have lost that capability through closure of their in-house facilities.

Question. How much longer is GPO going to sustain losses before the Denver facility breaks even, and what plans does GPO have for causing that facility to break even?

Answer. The Denver plant generates sufficient revenues to cover its direct expenses as well as make a contribution toward GPO's overhead expenses. If the Denver plant is closed, that contribution to overhead will have to come from somewhere else. The objective of the plant is to recover all costs, to reduce costs, and to provide service to core customers. Over the past 5 years, staffing at this plant has been reduced by 50 percent to the current level of 25 employees. This was accomplished through attrition and by cross-training remaining staff to perform multiple tasks. Plant prices are adjusted periodically to recover costs. Plant space has been reduced 25 percent. Approximately 1,000 square feet of warehouse space was released to GSA in January 1998 and approximately 5,000 square feet of light industrial space will be taken over by GSA in fiscal year 1999. There are 5 employees currently eligible to retire who will not be replaced, representing a potential savings of \$175,000.

Question. What kind of work is done in the Denver plant?

Answer. The Denver plant is a secure facility. Over 50 percent of the jobs and 70 percent of the revenue are derived from producing classified/sensitive jobs. The plant's major customer is the Department of Justice, Drug Enforcement Agency, and El Paso Intelligence Center. The other major customers sending in classified/sensitive jobs are the Immigration and Naturalization Service, the Department of Defense, and the Office of Personnel Management. The plant is currently working with the Department of Energy to be a DOE-cleared facility. The DOE has determined that they would like to use the Denver plant for work that can no longer be produced in their in-house facilities because of planned plant closures.

Question. Is GPO aggressively marketing the Denver plant's capability, or just waiting for the work to come in the door?

Answer. Marketing is being done through the regional system by managers referring customers to the Denver plant when they have requirements for security work. This method had been very successful over the past 5 years. It is difficult to market classified security services publicly.

FUGITIVE DOCUMENTS

Question. In recent years, a number of Federal agencies have entered into so-called "partnering programs" with private sector, or other non-federal organizations for the production of various publications. These partnering arrangements have become an explanation for declining sales and fugitive documents in the Superintendent's various public access programs. If the Superintendent of Documents is aware that various government publications are being produced in this manner, why can't he make arrangements to get these publications into the depository and sales programs?

Answer. Agency partnerships with private sector firms tend to account for a low volume of fugitive products, but these tend to be key publications of broad public interest.

With regard to the sales program, a 1977 opinion by GPO's General Counsel cites Joint Committee on Printing Government Printing and Binding Regulation 41-1 as follows: "The Superintendent of Documents will sell only those publications printed by the Government Printing Office or ordered printed through the Government Printing Office or the Government Printing Office Regional Printing Procurement Offices * * *." This language remains in the current Regulations, so publications printed by private sector partners of Government agencies are prohibited for sale through GPO. This is an issue that could be considered as a part of Title 44 reform.

When the depository program becomes aware of publications produced through such arrangements, every effort is made to obtain copies for the depository program. These efforts are often costly and time-consuming compared with obtaining copies of publications printed or procured through GPO. Examples of such efforts include:

—*Big Emerging Markets.*—Developed by the International Trade Administration and printed by a private firm in a joint venture with the National Technical Information Service (NTIS), this product was originally offered to the FDLP in microfiche format. This was unsuitable due to the presence of color charts in the product. Only after several months of discussion and congressional pressure did NTIS provide print copies.

—*Journal of the National Cancer Institute.*—This periodical is now published by Oxford University Press under the terms of a Cooperative Research and Development Agreement (CRDA) with the National Cancer Institute (NCI). Initially the FDLP was told by NCI that this arrangement rendered the Journal a non-Government product, even though editorial work is still being performed by NCI employees. After NCI officials discussed the matter with the Joint Committee on Printing, Oxford University Press agreed to furnish depository copies.

—*Hispanics-Latinos: Diverse People in a Multicultural Society*.—This title was first published by a private sector trade association based in Washington, DC. Although the data was gathered and prepared at public expense, it was provided to this private group, which then copyrighted the publication and sold it for \$10 per copy. Because *Hispanics-Latinos* was not printed through GPO, it was not initially available to the Depository Program. When this situation was brought to the attention of the Census Bureau through Senate Rules and Administration Committee hearings, the Bureau reprinted the book through GPO so depository copies would be available.

—*A Nation of Opportunity/KickStart Initiative*.—The United States Advisory Council on the National Information Infrastructure issued two reports that were initially published by West Publishing, a major private sector seller of legal publications and databases, although they were prepared by the Commission at public expense. Initially these publications were not made available to either the Superintendent of Documents Sales or Depository Programs. Once the Joint Committee on Printing was apprised of this situation it contacted the Commission. As a result, the National Telecommunications and Information Administration of the Department of Commerce reprinted the publications through GPO in a much less elaborate black-and-white format and both the Sales and Depository Programs acquired copies.

—*Population of States and Counties of the United States: 1790–1990*.—This Census publication was printed by NTIS rather than through GPO. Through what was described by Census as a “handshake agreement,” NTIS asked that Census not make this publication available to either the Depository or Sales Programs for its first six months so as not to hurt its exclusive sale by NTIS. As a result of Senate Rules and Administration Committee hearings, GPO obtained a copy from Census shortly after its publication by NTIS. The Depository Program printed copies for its use and Sales acquired copies for sale to the public.

Question. Which agencies are doing printing on their own, and of these, which ones are not notifying the Superintendent of Documents of their publishing activities? Has the Superintendent attempted to work out an arrangement with known “fugitive” agencies? If so, what has been the result? If not, why not?

Answer. The National Institutes of Health (NIH), the Federal Aviation Administration (FAA) and the Department of Defense are some of the agencies that are procuring significant amounts of printing directly rather than through GPO. NTIS solicits other agencies to obtain printing through them rather than through GPO.

Whenever agencies procure printing other than through GPO, problems tend to arise regarding their depository library responsibilities. Many agencies, although using GPO for printing some publications, are remiss in notifying the Superintendent of Documents of other documents. Agencies that we must approach most often regarding notification to the Superintendent of Documents include the Library of Congress, the Environmental Protection Agency (particularly the regional offices), the Central Intelligence Agency, some parts of the Department of Defense, and the National Oceanic and Atmospheric Administration (particularly the National Geophysical Data Center.)

When individual fugitive documents are identified, we make every effort to include them in the FDLP and inform the issuing agency of its obligation to provide copies for the FDLP. The majority of fugitive documents, however, have been those of a scientific and technical nature that have not been printed or procured through GPO.

Significant progress has been made with other Government information disseminators to expand the range of content available at no cost to depository libraries and the public. GPO has entered into agreements with the Department of Energy (DOE) and NTIS which will enable libraries to search and obtain U.S. Government scientific and technical information in electronic image format via the Internet on demand. The DOE project, a major step in the transition to a more electronic FDLP, will provide electronic versions of approximately 15,000 reports each year which were previously available to depository libraries in microfiche only. GPO and NTIS have worked out a pilot project that eventually should make approximately 55,000 scientific and technical documents each year available to depository libraries on demand over the Internet.

Another problem, however, is the number of information products now being published only on the Internet without notification to the FDLP. We have addressed this issue in our legislative proposal for Title 44 revision, which was submitted to the Senate Rules and Administration Committee on May 29, 1997. Meanwhile, we will continue working on the establishment of arrangements for access to such information with individual agencies.

Question. In fiscal year 1997, GPO's salary and expense costs for the Superintendent of Documents shows a decrease of 14 percent from the previous year. The rationale for this decrease includes agencies discontinuing the printing of publications; agencies partnering with private companies to privatize government information; agencies circumventing Title 44 to create "fugitive" documents; and, increasing electronic depository distribution through GPO Access. Please explain to the committee how these factors reduced the salaries and expenses of the Superintendent's program.

Answer. The largest single factor in the 15 percent decline in fiscal year 1997 Superintendent of Documents salary and expenses costs as reported by GPO's Comptroller is a 26 percent decline in printing and reproduction costs. Our experience indicates that the greatest impact on printing and binding expenditures has resulted from agencies either discontinuing printed products or obtaining them elsewhere than GPO. As noted above, agency partnerships with private sector firms account for a low volume of fugitive products, but these tend to be key publications of broad public interest.

The migration of printing to electronic publishing already in evidence will continue. While this scenario increases the possibility that information will not be provided to the FDLP in a tangible medium, it also offers a unique opportunity to bring additional information into the FDLP for no-fee public use. When the source information is in electronic format, the agency can either make it available at no cost on its own Internet Web site, or can ask GPO to make it available via the GPO Access service. Either of these approaches would enable the FDLP to provide more information to the public. In this scenario, the projected decline in the amount of printed material would gradually reduce printing costs to the Program. New costs will be incurred, however, as the FDLP assumes the costs of providing current and permanent public access to electronic products; costs that, with respect to tangible products, were hitherto borne by regional depository libraries.

COST AND USE OF MAINTAINING CURRENT GPO FACILITIES

Question. How much of the current GPO facility on North Capital is actually in use for the printing, binding, and storage of materials and products used in Government printing?

Space within the current facility at North Capitol Street is assigned to a program or is considered common area. Common areas include Harding Hall, the Cafeteria, the Credit Union, the Blind Man Stand, and all aisles, halls, support columns, shafts, restrooms, and elevators. The total square footage of the 4-building Central Office Complex is 1,466,000 square feet. Total space assigned to GPO Programs, including administrative functions, is 966,000 square feet. The space is assigned as follows:

	<i>Square Feet</i>
Plant Production (including Materials Management Service and Engineering)	715,000
Printing Procurement	26,000
Sales Program	66,000
S&E Programs	43,000
Administrative Areas (includes Customer Service)	116,000
 Total	 966,000

Question. What are GPO's cost of upkeep for the unused portion of the building? What are GPO's cost of upkeep for the used portion of the building?

Answer. The cost for cleaning used assigned space is approximately \$2.1 million per year. In addition, there are about 500,000 square feet classified as common area. The estimated cost of cleaning the common portions of the building is approximately \$1.1 million annually. The unassigned space is necessary for common areas that indirectly support operations.

We estimate that approximately 27,500 square feet of the assigned space is currently unused because of attrition in the workforce. We are considering the lease of space to other government agencies that may need it for small groups. The cost to upkeep unused assigned areas is minimal.

Question. In addition to the costs for new electrical switching equipment requested last year, and new air conditioning equipment now under review by the JCP, what other costs does GPO anticipate over the next three years for the upgrading, and/or replacement of major mechanical equipment and maintenance of the plant? In light of these costs, and the amount of space actually used by GPO for

printing, binding and related activities, would it not be to GPO's financial advantage to acquire a new, more economical facility?

Answer. Building projects foreseen at this time are: (1) additional pollution control equipment for printing presses; (2) upgrade to energy efficient lighting throughout the agency; (3) renovation of elevators has been an ongoing project that will require a few more years to complete; and (4) maintenance of the buildings' brickwork and roof.

Regarding the option for a new facility, a comprehensive study of this option has not been done recently. The costs of construction and re-installation of equipment would likely be high and it is unknown whether the benefits would offset this additional cost. I would point out that GPO has saved millions in recent years by consolidating outlying operations from leased space (at Union Center Plaza and the Washington Navy Yard in Washington, DC, and at warehouses formerly located in the Alexandria, VA, area) into the Central Office facility.

Question. Several years ago, GAO reported that GPO had a 33 percent spoilage rate on paper used for in-house printing as compared with under a 10 percent spoilage rate in the private sector. What is your present spoilage rate, and what does that cost the agency? What can be done to reduce both the amount and cost of spoilage?

Answer. GPO's paper waste and spoilage tends to run higher than in private industry because of its unique workload. In its September 1990 report on GPO (GAO/GGD-90-107; this study was based on fiscal year 1989 data), the GAO reported that "GPO's waste and spoilage averaged about 12 percent above the highest private industry standard" (p. 37). The GAO stated that "GPO's unique wide range of in-house plant operations may not be strictly comparable to private industry activities" (p. 37).

In the private sector, production quantities produced on high-speed web presses are typically much higher than the quick turn-around, smaller production quantities requested by the Congress and produced in GPO. Newspapers, magazines, and most other commercial products have much longer production runs on press than the average GPO job, resulting in lower waste and spoilage percentages. Also, certain characteristics of GPO production that are adopted to meet critical congressional demand, such as lifting one job from a press to replace it with another more critical job, can lead to comparatively higher waste and spoilage data. The GAO report itself noted that part of GPO's waste and spoilage rate is caused by "the need for press changes to respond to changing workload demands placed on GPO" (p. 37).

GPO's present waste and spoilage rate is about 37 percent. The estimated cost to GPO of paper waste and spoilage for fiscal year 1997 was \$5.6 million (the cost of waste and spoilage in fiscal year 1989 was \$7 million). The fiscal year 1997 cost was offset in part by revenues of \$334,500 from the sale of waste paper.

A certain amount of GPO's paper waste and spoilage rate is planned. For example, some waste will result from paper trimmed to meet job requirements. Press makereadies also result in planned waste. A makeready will consume a standard amount of paper before a job is run. If the job requires a long press run, the percentage of paper waste and spoilage will be comparatively small. With shorter press runs, the percentage will increase. As press runs for GPO work have been reduced by ordering customers in recent years, the percentage of planned waste and spoilage to actual paper consumed on printing jobs has increased. There are other contributory factors to the waste and spoilage rate, including paper handling procedures and back-to-press requirements.

Nevertheless, our objective is to minimize the waste and spoilage rate by ensuring that it meets an acceptable level as determined by current equipment capabilities and workload mix. An effort has been recently undertaken by the Production Manager and our Quality Control and Technical Department to reduce the paper waste and spoilage rate to its lowest possible level.

Question. In light of the amount of unused space in the present GPO buildings, has any thought been given to co-locating the Laurel warehouse space at the plant?

Answer. Co-locating warehouse space to the GPO Central Office would face several obstacles. Currently, unoccupied Central Office space exists at various locations on several floors. The need to move materials over relatively long distances using elevators which must also be used to handle printing plant materials would be highly inefficient. In addition, Laurel's ceilings are high enough to permit "four-high" storage, unlike the GPO Central Office, which would mean that at least 400,000 square feet of space would need to be available. The additional shipping and receiving required by such a consolidation would also strain current Central Office facilities. The expense of providing consolidated and renovated space, in addition to the purchase of enough new storage racks and picking bins to permit the move without an extended disruption of operations, would make the cost prohibitive.

MARKETING GPO

Question. Today, agencies have a variety of means available to produce and disseminate their publications. They do not have to rely on ink on paper. They produce and disseminate electronically via the World Wide Web. They use print on demand technology, and some have found other creative ways to make their information available to the American public. Given this state of affairs, it strikes me that an agency like the Government Printing Office (GPO) cannot rest on its laurels, and expect everyone to beat a path to their door. GPO must give agencies a reason and incentive to use them. Describe to the Committee GPO's customer marketing program, as well as GPO's customer satisfaction program. How does GPO win and keep agencies as customers?

Answer. I think that congressional entities, Federal agencies, private sector printers who do business with GPO, depository libraries, Government information users, and others who utilize GPO's programs and services are very familiar and satisfied with GPO's products and services. We have performed customer satisfaction surveys periodically which substantiate this. We regularly reach out to agencies, the printing industry, the library community, and Government information users to inform them of our programs and services, and we also work closely with congressional committees, Members, and the leadership to make our latest programs and services known to them.

The recently concluded management audit of GPO conducted by Booz-Allen & Hamilton found strong support in Congress for GPO's in-house production operations for congressional printing, stating that GPO's production area "consistently meets a demanding congressional production schedule." According to briefing materials distributed by Booz-Allen on March 18, 1998, GPO's "production functions are geared to rapidly and consistently produce congressional products" and are "flexible and responsive to changing congressional needs." In addition, the auditors said that GPO has "developed strong and cordial relationships with their contacts within congressional organizations and offices," and GPO's "communication with the congressional customer is frequent and regular."

The auditors also found strong support among executive branch agencies for GPO's printing procurement program, characterizing it as "an example of the best services that the government has to offer." They said, "For some time now, GPO has been employing contracting techniques that have recently become recognized as best practices throughout the government," citing as examples GPO's use of past performance data in making contract award decisions, its database of approximately 10,000 potential vendors, the expertise of its staff, and its use of term contracts for multiple agency use and direct deal arrangements.

In addition, the auditors reported that GPO's depository library program "serves a necessary service of government" in providing government information for the use of the public free of charge, and that GPO is using technology effectively to transition this program to a more electronic basis. They noted specifically that GPO Access, GPO's Internet information service, "is one of the Federal Government's largest and most active web sites and has been highly successful in making Government information easily available to the public."

GPO's capabilities for quick turnaround, quality, low cost publications are well known throughout Federal agencies. We service our customers' graphic arts needs. We meet regularly with the Interagency Council on Printing and Publication Services to discuss concerns and new developments. We also meet regularly with the representatives of the Federal Publishers' Committee to discuss their concerns. We have an entire organizational unit dedicated to providing customer service to Congress and Federal agencies, staffed by congressional information specialists and departmental account representatives who are intimately familiar with customer requirements, Title 44 provisions, and GPO and industry printing capabilities. Our Procurement Department is staffed by experts in the printing industry and the printing procurement process. Our Typography and Design area is staffed with award-winning designers and graphic arts specialists who are constantly sought-out by agencies to produce quality products.

In our Superintendent of Documents area, we provide both pre- and post-publication marketing services for Government information products, including electronic products. GPO Access is quickly becoming the premier Federal online sight for access to Government information, with more than 10 million documents downloaded monthly. It has become the Government's leading GILS site. It has won several awards and was recently the subject of praise one of the Government's most widely-read computer publications. GPO has been singled out as one of the Government's leading CD-ROM producers, a service also widely used by Federal agencies. Not long ago GPO won a coveted Hammer Award from the National Performance Re-

view for its work in the creation of the new electronic Commerce Business Daily. All of these factors are taken into consideration by Federal agencies which call on us to support their graphic arts and public information dissemination needs.

To attract new business, GPO is undertaking additional marketing efforts with departments and agencies. The focus of these efforts is to visit customer agencies with a team representing Customer Service, Procurement, and Superintendent of Documents functions to market the full range of GPO services available. Follow-up meetings will be focused to address specific agency needs and services. Initial reactions to such efforts have been very positive, with the establishment of new contracts and the increased usage of GPO Access.

Question. Pricing is an important element in customer satisfaction. The committee understands that agencies are charged a surcharge of up to six percent on the first \$200,000 of a job procured through GPO. What services does GPO provide for that surcharge, and are agencies satisfied that they are getting a good value for the money?

Answer. GPO charges customers \$5 plus 6 percent on the commercial cost of a procured job. For this, customers receive many services: the benefit of Printing Procurement's database of commercial printers nationwide which increases competition and lowers prices; contract administration by contracting officers with a background in printing; contract compliance and quality control testing; design and layout assistance by visual communication specialists; on-site press sheet inspections; payment administration of contractors and accounting services; investigation of potential contractor irregularities by GPO's Inspector General; and legal remedies for contractor defaults and failures to meet specifications.

Question. An additional element in pricing is an assurance that the actual bill will reflect closely the estimates provided. What is the status of efforts by GPO to institute "fixed pricing" for its customers? What has GPO found to be the advantages and disadvantages of "fixed pricing," and have the advantages outweighed the disadvantages? If the advantages have outweighed the disadvantages, how long will it be before "fixed pricing" becomes the standard practice for GPO?

Answer. GPO is willing to firm price many types of work, if the ordering agency wishes to do so, and we are offering this as an option. GPO has also undertaken a firm pricing pilot on certain repetitive contract work. However, agency acceptance of firm pricing has been unexpectedly mixed. Although agency accounting staff frequently welcome it, agency printing and administrative management representatives are less excited about it. GPO plans to continue offering this option and hopes to gain some experience with this practice over the next year. Also, a Windows-based improvement to GPO's procured job tracking system will provide agencies with cost and status information more quickly in an easy-to-use format. Another payment alternative that GPO has recently developed to assist agencies with their billing concerns is the GPO Deposit Account. This approach eliminates a number of agency required labor-intensive process without losing accountability. GPO feels that all of these improvements combined will go a long way toward addressing customer concerns about costs and billing.

TRAINING

Question. One strategy for staffing the Government Printing Office is to train personnel to perform more than one or two functions. Does GPO have an aggressive training program which cross trains employees to perform the various functions required to produce the Congressional Record, or other publications produced in the plant? If so, how many employees went through the program in the past fiscal year? How much money was invested in the program, and what was the outcome?

Answer. GPO has several Production cross-training programs in place. The cross-training programs train employees in a different trade if we have found there may be a surplus in their particular position.

Cross-training of employees is essential if it expects to provide services as it continues to downsize. Prior to beginning its last apprentice program, in February of 1996, modifications were made to the existing curriculum that provided 300 hours of cross-training time for proofreading and keyboarding apprentices, respectively. This, coupled with technological changes and an influx of outside hires with varied skill, has helped eliminate traditional multicraft barriers in the Electronic Photo-composition Division. As a result, on any given day or night, many proofreaders will prepare copy, revise, read, and perform a variety of computer operations while data entry personnel perform proofreading and computer tasks. This has been accomplished as on-the-job training without additional monetary investment. We are convinced that these cross-training activities have allowed this division to significantly reduce its manpower requirements. Plans for 1998 include implementation of direct-

to-plate printing. This new technology will impact on a large number of prepress employees who will also be cross-trained in other printing disciplines.

In the Press Division, the Negative Section and Copy Prep Section have cross-trained their employees to perform various functions in each section. The Press Section has a continuing program of cross-training sheet-fed presspersons to perform as web presspersons. In the past fiscal year we had seven employees in the program. The letterpress cylinder presspersons are being trained in the offset process. The past fiscal year we have trained five cylinder presspersons and promoted one to second web pressperson. Fifty-three web presspersons have been trained by the Graphic Arts Technical Foundation in proper web practices and procedures at a cost of approximately \$40,000. This training was geared to the new presses that print the Congressional Record and Federal Register. This training was completed in the past fiscal year.

The Binding Division cross-trains bookbinders to ensure that all of our processes can be accomplished as required. We cross trained approximately 15 bookbinders last year.

Question. Congressional offices and committees which use GPO detailees are increasingly expressing concern over how ill-trained these detailees are to perform the tasks required of them. Does GPO have a training program for detailees? What other steps is GPO taking to respond to these concerns? Do committees have a choice or a voice in the selection of detailees to do their work?

Answer. Traditionally, GPO was required to send only proofreaders to Capitol Hill on detail assignments. This eventually evolved into situations that required both data entry and proofreading skills. Now that work processing and composition for printing are performed in their entirety by many congressional committees, a more rounded education is paramount. Recently, the Electronic Photocomposition Division, having been informed of skill level deficiencies, initiated an accelerated training class for Capitol Hill details. Volunteer employees were given 4 days of intensive classroom training that consisted of the following:

Basic computer familiarization (Windows 95 and XyWrite).

Copy Preparation: Knowledge of formats and copy standardization; and coding with the necessary tagging scheme.

Use of MicroComp composition software.

Use of scanning equipment: Scanning images; and OCR and related hardware and software as required.

Immediately prior to starting a detail, the employee will also be trained in the needs of the specific committee or office. Detail assignments will now be made from this group for any committee that requires other than basic proofreading or key-boarding.

GPO explains to staffers that an initial familiarization period for new detailees is needed, and notifies detailees that others already on the Hill are resources on unfamiliar office procedures. They are also advised that training or assistance from organizations like Graphic Systems Development Division (GSDD) are available. Occasionally, GPO receives a request for a specific detailee by name. These are usually honored if the Committee can demonstrate that the specific employee possesses previous experience in performing tasks particular to that Committee. These assignments are normally for a previously defined and usually short period of time. In the absence of a need for a specific detailee, selection is made from the pool of volunteers mentioned above in accordance with labor/management agreements. When a Committee expresses dissatisfaction with the performance of a detailee, the detailee is given additional training and assistance to improve his/her skills. Committees are aware that should the detailee performance still not meet their needs, they can release that detailee and request another.

CONCLUSION OF HEARINGS

Senator BENNETT. If there is nothing further, the subcommittee is recessed.

[Whereupon, at 10:12 a.m., Thursday, March 19, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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